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INCREASING PRICE OF SOVIET OIL PUTS DEMANDS ON INDUSTRY

Helsinki HELSINGIN SANOMAT in Finnish 11 Dec 80 p 2

[Editorial]

[Text] The price of crude oil has increased well over two-fold during the past 2 years. The imported oil products have gone up in price commensurately. As the main part of the Finnish purchases from the USSR is oil, the amount of Finnish products needed for payments is now immensely greater than for instance only 2 years ago. On an average, our export products have gone up in price only slightly.

The times are such that the payment of the oil bill causes in many countries great difficulties, such as unemployment and added foreign indebtedness. It is fortunate that Finland is able to pay the bulk of her energy bill by added export, possible because of the bilateral trade with the USSR. However, we have to remember that this growth of production does not mean growth of consumption capacity here. We can avoid decrease of consumption capacity only by working harder. As the international trade conjunctures weaken, even that is not possible everywhere.

Finland has increased its exports to the USSR significantly already this year. The import surplus is still fairly great, but this is partly due to the fact that the demand at home and on the Western markets has remained high. However, more and more production capacity will become free to produce USSR exports. The goods exchange agreement for next year, initialled on Tuesday [Dec 9] in Moscow, actually estimates that the value of Finnish export including the construction projects will exceed the value of imports, presuming that the price of oil will not suddenly go up surprisingly much.

It is likely that the demand in the other markets will continue to weaken even after next year. It is therefore not necessary that Finland will get all of its outstanding oil bills paid during next year. A lack of "exports outstanding" the following year could mean a decrease of all exports.

The detailed contents of the Exchange of Goods Agreement have not yet been made public. However, it is certain that the orders acquired by the metal industry are especially large. Also forest industry has increased its share in exports to the USSR.

As the import quota of crude oil was left on the lower limits of the agreed-upon margin, Finland obviously has cause to attempt to increase its crude oil purchases from other suppliers. It will also be necessary to expand ever more vigorously the attempts to find more use for natural gas. Furthermore, we must secure sufficient amount of import energy by intensifying our efforts to keep the import of coal at least on the intended level. In spite of all this, the need to conserve energy and to replace import fuels by Finnish sources of energy will remain a high priority.

No matter what way the increasing energy bill is paid, it spells a burden for the national economy which we must try to reduce.

9571
CSO: 3107

BRIEFS

NESTE-SWEDEN OIL PACT--The Finns will continue to refine crude oil for Sweden next year and during 1982. NESTE and Svenska Petroleum have agreed that NESTE will refine 1,250,000 tons of crude oil for the Swedish company next year, and 1.2 million crude oil tons during 1982. The previous agreement between the companies was signed last year in September. It was then agreed that Neste will refine 3 million tons for Svenska Petroleum over two years. By the end of this year, about half of this amount has been refined. The war between Iraq and Iran might have an effect on the oil refinement agreement since Svenska Petroleum had planned for a part of the crude oil to be bought from Iraq, NESTE sources reveal. [Text] [Helsinki SOSCIALDEMOKRAATTI in Finnish 4 Dec 80 p 10] 9571

PEAT METHANOL ALMOST COMPETITIVE--The development of the estimated price of peat methanol has been favorable as compared with the refinery prices of gasoline. According to estimates by the State Technical Research Center [VTT], the difference in favor of gasoline is only less than 5 percent depending on the basis for capital cost estimates. Two years ago, it was still 20 percent. In 4 years, the cost of producing methanol from peat has gone down by 40 percent compared with the world market prices. In 1977, the VTT estimated that methanol made out of peat would cost 700 marks per ton. The world market price then was over 500 marks per ton. Now the price estimate for peat methanol is about 1000 marks per ton, which is the same as the current price on the world market. However, it is too early to view methanol production as a profitable business enterprise. The VTT estimates that the situation is nevertheless developing towards favoring the peat production process. Under certain cost development, the production of methanol from peat could thus be warranted. [Text] [Helsinki SOSCIALDEMOKRAATTI in Finnish 4 Dec 80 p 10] 9571

CSO: 3107

GAS PRICE INCREASES AFTER OPEC MEETING

Paris LE MONDE in French 19 Dec 80 p 41

[Article by J.-M. Q.--passages between slantlines published in italics]

[Text] If the crude oil price increases decided on at Bali have been greeted without pleasure--and without too much surprise--by the main consumer countries, one government--that of France--finds itself in a more awkward position than the others. How, when, and to what extent will the repercussions of the crude price increase fall on the French consumer? And at a time when the nation is facing an election whose outcome appears more uncertain than at first one thought.

The latest increase in the price of oil products, which came 13 December (fuels up 14 centimes) gave rise within the public authorities to more lively than usual exchanges between partisans of /"truth in pricing"/ and /"politics."/ The first carried the day. Now there will be /"accounts to settle"/ after Bali.

For the moment, one is waiting for information on all the new prices of the oil countries, and it could be that the average increase will be somewhat less than had been feared from reading the OPEC communique.

It remains to note that Saudi Arabia, which furnishes about 40 percent of the oil imported by France, has increased its price by $2 with retroactive effect to 1 November. If the other principal suppliers of France (the Emirates, Iraq) do the same, this would necessitate an immediate increase of 8 centimes on the prices of all oil products. And starting today, because, in light of the retroactive provision, and the lead-time in getting tankers under way (45 days on average), the oil which is arriving now in French ports is already bought at the new tariff.

Reckoning with a dollar which has been stable at around 4.60 Fr since the beginning of December (while its basic reference price at the time of the last increases was around 4.40 Fr) and without taking into account the demands of the oil companies (which are demanding several more centimes), the government finds itself facing a delicate choice.

Either within the very next few days it augments oil product prices by 8 to 12 centimes. A most sad "Christmas gift" for consumers, only several days after what was already a stiff increase.

Or it waits awhile. In this case, it will have to make up for the accumulated delay, and the increase passed on to the consumer will be all the higher. Now an increase of around 15 centimes at the retail level, in January, would impact on a price index that is already traditionally rising the first month of the year. So must one wait until the beginning of February? This would be to risk a poor index for that month. An index that would be announced at the end of the month of March, at the height of the electoral campaign...Quite a cruel dilemma.

9516
CSO: 3100

ASPECTS OF NATURAL GAS USAGE, STOCKPILING, SUPPLIERS

Natural Gas Stockpiling

Paris LE MATIN in French 2 Dec 80 p 18

[Text] No one will deny that stockpiling natural gas constitutes a security element in the providing of energy. France is developing an ambitious program of reservoirs in acquiferous layers of saline cavities whose effective volume will permit the storing of the equivalent of 110 billion KWh in 1990, corresponding to two-thirds of the production of French hydroelectric stations in 1979. Also GDF [French Gas Company] must justify itself before the populations concerned and re-orient its often maladroit policies.

GDF has in fact encountered an almost systematic oppostion in the regions most suitable for underground storage. The opposition, it is true, was aggravated by the January 1979 decision of the president of the republic to forbid the work undertaken by GDF on the site of Rambouillet. Deputies and ecologists gave the starting signal to the opposition by pointing out the risks of environmental damages.

Since then it has been difficult for the public service authorities to persuade the inhabitants of the Ourcq area--where GDF plans the construction of the largest reservoir in Europe--that such a project could be less damaging in their region than west of Paris. Since the explorations, meetings and demonstrations have taken place one after the other, but the Elysee seems this time determined to ignore them. The characteristics of the geological structure of the Ourcq area ought to permit GDF to store 2.2 billion cubic meters of methane at about 60 kilometers from the capital. The population rebels against the hugeness of the project, recalling in passing that the Museum of Natural History has begun a classification project of the site. It remains a fact that Gaz de France must pursue its program and clam down certain fears. By recognizing that they have committed serious psychological errors vis a vis the population, GDF authorities will no doubt succeed in resuming its dialogue with the opponents of their plans.

Natural Gas Sources, Suppliers

Paris LE MATIN in French 2 Dec 80 p 19

[Text] With 27 billion cubic meters this year, natural gas represents--roughly speaking--about 12 percent of French consumption of primary energy. This percentage

is very close to the one for 1979. If all goes well, that is if the new contracts currently negotiated with the USSR are signed, or if Algeria delivers us the quantities agreed, gas consumption in 1985 could reach 16 percent of primary energy, or approximately 36 billion cubic meters.

Today France is served by 5 different sources: Acquitaine (Lacq drillings), Algeria, the Low Countries, the USSR, Norway. In 5 years Nigeria ought to complete the diversification by furnishing us 1.9 billion cubic meters delivered in liquified gas tankers. Last year drillings in Acquitaine, exploited since 1957 and whose production will continue for about 20 years more, gave 7.5 billion cubic meters, 30.3 percent of requirements. Algerian gas counted for 3 billion cubic meters (12.4 percent of the total). This gas comes from the Sahara drillings of Hassi R'Mel. Since 1965 it has been brought to the Havre terminus by the liquified gas tanker Jules-Verne which loads the liquified gas at Arzew. A second transport chain was put into service between Skikda and Fos-sur-Mer, connected by two liquified gas tankers: the Hass R'Mel and the Tellier.

Next year the opening of the terminus of Montoir-de-Bretagne ought to permit some of the largest liquified gas tankers in the world to transport the GLN [liquified natural gas] from Arzew to the Loire estuary. Since 1967 Dutch gas has come to us, via Belgium, from the Groningen drilling. Last year deliveries represented 11 billion cubic meters (39.4 percent of supplies) basically destined to northern and eastern regions of France. Since 1976 the USSR itself has become a French supplier. On paper, at least, since in reality Russian gas was for 4 years exchanged for Dutch gas that was initially intended for Italy. The Italians received the corresponding quantities of Russian gas thanks to a gasoduct crossing the satellite countries. Since the beginning of the year, however, Russian gas comes to us directly through the WAG [Wasserkraft Worke Ag?] and Megas conduits across Austria and the Federal Republic of Germany. In 1979 the Soviet contract provided for 2.3 billion cubic meters (9.5 percent of the total). This year the quantities will reach 4 billion cubic meters. Since 1977 Norwegian gas from the Ekofisk submarine drillings in the North Sea comes to France by a submarine, than earth-surface network. Last year France received 1.9 billion cubic meters of Norwegian gas (7.9 percent of the total). Next year these quantities should reach 2.5 billion. Provided, of course, that the contribution from the Norwegian or British North Sea significantly increases.

Tensions with Algeria

Paris LE MATIN in French 2 Dec 80 p 19

[Text] Last 10 April, the Algerian Energy Minister, Belkacem Nabi, rose up to declare "There was never any question of cutting off deliveries of liquified natural gas (GNL) to GDF. We were accused of blackmail and suspected of cutting off the gas to our French client like the American company El Paso. That is untrue..." Algiers had just replied to accusations that the national company Sonatrach had turned off the GNL faucet to exercise pressure on the French and Americans, from whom Sonatrach was asking for almost a doubling of the price of gas, from around $3.11 per million BTU [British thermal units] to $6.00.

In fact the comings and goings of liquified gas tankers carrying GNL to French ports had curiously declined in February and March. Sonatrach referred to technical

difficulties arising at its installations. GDG noted with surprise that they coincided with the price offensive...Since, deliveries have picked up at a moderate pace. So that, under the best of circumstances, France will have received this year 2 billion cubic meters of Algerian GNL, comprared to 3 billion last year. That is far from the contracted-for quantities of 4 billion cubic meters, never until now reached. And one can ask what will be the fate of the new contract providing for the delivery of 5 billion cubic meters per year to the terminus of Montoir-de-Bretagne beginning next year.

Algiers was always asking for an alignment of gas prices with those of crude oil because of the special qualities of this fuel (cleanliness, flexibility, etc.) and its possibility of replacing other fossil resources. Another argument on the Algerian side: gas reserves--notably in Algeria--are large; their exploitation would permit the partial resolution of the energy equation in the years to come, hence the need for a significant price increase.

On the French side, Pierre Delaporte, director general of GDF, had instructions from the beginning not to give in on even the principle of alignment. The ministry of industry, Andre Giraud, considers that the price of gas, at the producing country, could not exceed a basic price which would compromise its competitivity in the consumer markets. In other words, for the minister of industry the price of gas could "at best" be aligned with the price of fuel oil or diesel oil.

In this matter, where Algeria is also negotiating with its American partner on similar terms--but with the additional handicap of the price of transport by liquified gas tanker to the American coast--the strategic aspect is at least as important as the technical situation itself. Without speaking of personalities. It is thus clear that the French position was relatively easy to hold for the first nine months of the year, when there was abundant petroleum and the prices per barrel were slumping. Since the beginning of the Iraq-Iran conflict, which deprived France in one moment of 20 percent of its crude oil, Algeria tried to advance its cause by arguing in particular of the precariousness of the global energy situation. On 29 and 30 October Andre Giraud went to Algiers itself to "exchange views" with Belkacem Nabi on the state of the world market...and obviously on the question of petroelum/gas. When CEP (Total) is renegotiating its petroleum supply contract with Sonatrach (approximately 10 million tons per year) the French minister's visit to the person who is also currently president of OPEC was not purely accidental. After having, moreover, failed to reach a "reasonable" basis ($4.20-$4.30/million BTU?) negotiations for gas, and hence for petroleum, are to be done over again. Algeria, which risks having difficulties with the Reagan administration in this area, would like to obtain a price $5 per million BTU, which France does not seem disposed to grant. Here we are again at square one.

9772
CSO: 3100

BRIEFS

SUBSIDY FOR ENERGY SAVERS--The government has decided to cancel subsidies to industrialist conserving energy in 1981. With energy costs having practically doubled in 2 years, it is obvious that the needs for financing are no longer the same. And the uselessness has often been emphasized of subsidies for investments having an average return time of 2.5 to 3 years and where the interest of the enterprise coincides with the general interest. One is simply astounded at the sudden about-face of the public authorities who only 6 months ago had with much fanfare decided to apply the system of incitements to energy saving industrial investments. Since then industrialists could obtain a premium amoungtin to 20 25 percent of overall costs in the case of new material for installing specifically energy conserving equipment when the investment by TEP [tons of equivalent petroleum] conserved was from 2000 to 7000 francs. They could thus in certain cases dispose of a single premium of 400 francs per ton conserved. Sixty-one percent of the Agency for Energy Saving budget was thus devoted to industry in 1980, which it is said at the Ministry, made it possible to launch the trend. [Text] [Paris LE MONDE in French 10 Dec 80 p 48] 9772

ENERGY CONSUMPTION DECREASES--Energy consumption in France should reach 189 million TEP [equivalent oil tonnage] in 1980, for a decline of 1.2 percent in comparison with 1979, according to statistics published by the national interprofessional committee for energy economics. Oil consumption should reach 102 million tons (down 6 percent from 1979). France's dependency on imported oil has thus gone from 66 percent in 1973 to 56 percent in 1979, and to 53 percent in 1980. Energy economics have advanced significantly, going from 15.5 million TEP at the end of 1978 to around 24 million TEP at the end of 1980. [Text] [Paris LE MONDE in French 19 Dec 80 p 41] 9516

CSO: 3100

ENERGY INDEPENDENCE, ECONOMIC IMPACT OF MIDEAST OIL CUTOFF

Energy Secretary Silva Pinto

Lisbon O JORNAL in Portuguese 31 Oct-6 Nov 80 p 33

[Commentary on official statements by Portuguese Secretary of State for Energy Antonio Silva Pinto on current status of energy independence]

[Excerpts] Portugal is the only country in which the international disturbance in the supply of oil, aggravated by the conflict between Iraq and Iran, is not causing any serious energy or financial problems. To state the contrary is to underestimate the premonetory vision of the present government. The warnings carried in the press are merely the folly of hopelessly sensationalist newsmen.

This at least is the logical conclusion to be derived from the recent statements by the secretary of state for energy. India is desperate to obtain supplies from the USSR, Brazil is undertaking the production of 800 million liters of alcohol in 1981, France is proposing to obtain two-thirds of its energy from alternative sources within the coming decade, and more or less everywhere, drastic undertakings are being planned to reduce oil consumption.

Meanwhile, Antonio Silva Pinto says that the Portuguese Government is not apprehensive about the supply of oil products, but only about the "means of obtaining foreign exchange to pay for them." In terms of short-term measures, the secretary of state for energy has mentioned the rationalization of consumption and the penalization of waste adopted by a number of countries some years ago. Supplies from Iraq--which provided about 48 percent of our oil imports--would not be a problem, because they only failed to deliver 800,000 of the 3.5 million tons for which contracts were signed at the beginning of the year. And as 2 weeks before the war broke out in the Persian Gulf, 500,000 tons were purchased on the free market, Portugal would have nothing to fear from these foreign energy problems causing such a stir in a cowardly world. The only concession to the concerns of public opinion has been the dispatch of a delegation headed by Pinto Balsemao to the United Arab Emirates in the second week of November.

It is made to seem as if the current energy crisis were the temporary result of disturbances in the Arab world and not the inevitable consequence of the alteration of the relations between the industrialized countries and the nations which have limited oil reserves and which must, according to the logic of the system,

take over the superprofits channeled to date to the multinational companies and the respective governments and to establish an international energy market.

A Difficult Energy Situation

And yet, despite the lack of concern evidenced by the government officials, the domestic energy situation is far from being brilliant.

The 4 million contos invested to date in oil prospecting have not yet led to the discovery of commercially exploitable deposits.

Among the members of the OECD [Organization for Economic Cooperation and Development], Portugal continues to be the country most dependent on imported products. About 80 percent of the primary energy consumed in 1978 was produced from oil (the figure was 60 percent in 1965), and government bodies predict that domestic consumption of oil products will increase by 71.43 percent between 1978 and 1985.

The capability of hydroelectric energy to cover the increase in demand is very small, despite the fact that its production has tripled since 1965. Hydroelectric projects have a long precommissioning period and the existing potential is limited. In addition to this, electric power plants utilizing fuel oil are continuing to be built (SETUBAL).

The coal available is in short supply and generally has a high content of impurity. The Cabo Mondego, Lena, Guimarata, Fonte da Moura and North Carboniferous Basin reserves are estimated at 44.58 million tons. The ash percentage varies between 25 percent for certain Pejao strata and 50 percent at Cabo Mondego.

In any case, drilling is lagging and investments are only regarded as profitable because of the new oil price increases.

Renewable and nonpolluting sources of energy, specifically solar and wind power, continue to be neglected. The Arabs are channeling sizable investments into the utilization of solar energy, the Japanese are manufacturing oil tankers using sail power, the British are building giant windmills, settlements and towns are utilizing these energy sources exclusively and the "solar aircraft" has already completed its experimental phase. However, we for our part, despite the abundance of wind and sun, are doing almost nothing on the obtuse justification that they do not help the situation in the short run.

A Mere Question of Foreign Exchange?

Where will the government of Portugal obtain the loans totaling tens of millions of contos to maintain a normal oil supply?

The problem is the more serious in that the oil which was to be imported from Iraq was in part in exchange for services (building of schools, markets, training of technicians) whereas alternative suppliers will now have to be paid in money. The argument of the secretary for energy to the effect that the problem is not the lack of oil but the lack of foreign exchange thus appears as a rhetorical

subterfuge. As it is not possible to obtain all of the credit necessary and/or it is not possible to allow the current transactions balance deficit to exceed a certain level, we will buy less oil than is needed. It would be more precise to say that there will be simultaneous shortages of foreign exchange and oil.

Even if the War Ends . . .

A possible--although improbable--extension of the conflict would catch Portugal unprepared.

In the event that military operations extend to the Persian Gulf complex, and/or if the Iranians block the Strait of Hormuz, over which they have military control, the entire Western economy would be threatened. Such a situation would involve the loss of 17.5 million barrels per day and would result in the elimination of current surpluses in a month and of world reserves in under 100 days. An oil tanker passes through the Strait of Hormuz every 20 minutes, and a billion tons a year--that is about half of the world traffic in oil and 60 percent of the supplies for Europe, North America and Japan--come out through that route.

A report by the Congressional Research Service in the United States says that in such a case the price of oil could rapidly go beyond $100 per barrel.

Now Portugal is practically defenseless against such an eventuality. The domestic legislation in effect stipulates the existence of oil reserves guaranteeing a normal supply for 120 days. In practice, this law has been somewhat honored in the breach and the accumulated reserves are slightly lower. There are 1.5 million cubic meters of crude oil and 1.2 million cubic meters of refined products, practically exhausting the storage capacity (Sines, Cabo Ruivo, Oporto and Margem Sul).

Emergency Program Needed

Portugal's participation in the International Energy Agency (AIE) gives it access to the emergency distribution system for oil established by that organization. The members of the AIE (in practice, the OECD nations, minus France) are required to share their available supply of crude oil with the members whose reserves drop by more than 7 percent. If the reserves of all of the AIE members drop below this percentage, compulsory rationing will be established. But the report of the U.S. Congressional Research Service mentioned above was the first to recognize that the AIE would be incapable of successfully dealing with a serious world oil shortage and that the "purchases motivated by panic" would lead to its collapse.

Despite this, the government has not yet drafted any emergency program, such that the one approved in 1973, which is obviously outdated, remains in effect. Just prior to the presidential elections, the executive branch is seeking to lull the country with the illusion that no problems exist, even at the risk of medium-range "energy strangulation," failure to prepare the country for drastic measures, and a lack of well-thought-out solutions.

Ambassador Pires Miranda

Lisbon O JORNAL in Portuguese 14-20 Nov 80 p 5

[Commentary on official statements by Eurico da Fonseca: "Will We Exchange Uranium for Oil?"]

[Excerpts] The statements of those responsible for our oil supply as to the consequences of the war between Iraq and Iran continue to be highly optimistic. It could even be said that they are increasingly so, to the point that Ambassador Pires Miranda has now said that the reserves we have "are enough for about 5 or 6 months."

Can this be the truth?

In 1979, Portugal consumed 7,512,360 tons of oil and oil products. Even ignoring the fact that this consumption was 8.9 percent above that in 1978, and presuming that it would hold steady in 1980--which already in itself must be considered an extremely optimistic assumption--the consumption average would be 635,000 tons. Our domestic reserves at the beginning of the war between Iraq and Iran, according to official statements made then and confirmed now by Ambassador Pires Miranda, were about 2.5 million tons. It does not appear that any significant purchases have been made since then. Dividing 2.5 million by 635,000, we have enough for almost exactly 4 months--the figure, moreover, stated at the outset.

Since we know that the war between Iraq and Iran has already been underway about 2 months, we must conclude that the existing reserves suffice for 2 more, and not for "about 5 or 6." If nothing is done, therefore, we will be without oil by the end of January.

It is said that the fact that we are affiliated with the International Energy Agency will facilitate the solution of our problems. This is not exactly so. The only certainty we have in this regard is that as soon as the reserves drop below a certain level, rationing will have to be imposed. And it should not be presumed that the rationing would be for gasoline only.

In reality, gasoline is the least important product, since its consumption has been stabilized at about 700,000 tons per year. But the consumption of gas oil increased from 988,852 tons in 1973 to 1,503,368 tons in 1979, i.e. by 52 percent! And fuel oil consumption increased from 1,779,836 tons to 3,045,643 tons, representing an increase of 71 percent!

The consumption of fuel oil has been encouraged by the granting of subsidies covering the difference between the real price and the sale price, and totaling, in 1979, 7.5 million contos. Gas oil consumption has been directly and indirectly encouraged, first by the granting of subsidies to agriculture and secondly by rates which are disadvantageous to gasoline and which transfer demand to gas oil.

It is obvious that this policy cannot continue and that it is essential and urgent to adopt a realistic price structure. It can be said that the economic and social consequences of such a measure will be very serious, but it should also be

made clear that these consequences will be only apparent. The truth is that we are already forced to pay the real prices of oil products, only we do so in indirect fashion, through the so-called "supply fund" (which some time ago ceased to subsidize the defunct "market basket"). The adoption of real prices will necessarily lead to effective savings where these are needed--for gas oil and fuel oil.

Where Will We Find the Oil We Need?

Be that as it may, it should not be believed that savings can go beyond 25 percent --and for this it will be necessary to make substantial investments, in particular in the industrial sector.

This should enable us to improve the oil account a little, compensating for the increases in progress, and will also allow us to keep the cost of products and services about the same.

But the greater problem is to establish where we can find the oil we need for the balance of 1981 and to reestablish our reserves. A year ago, there was a great hue and cry because the contracts for the supply of oil beyond September had not been signed, which was not even entirely true because the negotiations in progress were rather well advanced. Now, as far as we know, there are no contracts or agreements established for the year soon to begin.

It is said that the appointment of an ambassador to Saudi Arabia will resolve everything, because it will allow us to be supplied directly by the government of that country, freeing us from the maneuvers of the multinational companies. There is also talk of Kuwait and Mexico. All of this seems like a mirage.

To all of this is added the difficulty in finding credit--and the shortage of foreign exchange. It is from this point of view, we believe, that we should consider the announcement which the minister of industry and energy has now made concerning the establishment of a new uranium prospecting program, which would make it possible to multiply the extraction of that ore by 2 to 10 times the current figure. There have been those who thought that this meant that a decision concerning recourse to nuclear energy had finally been made, but it is obvious that this is not what is involved. The problems we have are immediate and could not be resolved by an electric power plant which would only be commissioned 10 or 12 years from now. It simply happens that uranium is an excellent exchange currency for oil. We are already using it and nothing prevents us from doing so again.

5157
CSO: 3101

ENERGY MINISTER PETRI COMMENTS ON NORTH SEA GAS

Stockholm DAGENS NYHETER in Swedish 4 Dec 80 p 36

[Article by Bo Engzell]

[Text] Malmo, Wednesday--There is a very good chance that Sweden will be able to obtain large quantities of Norwegian natural gas. In any case, a study is underway now to determine the possibility of building a pipeline for natural gas from Norway's North Sea fields through Sweden to the continent. The latter was disclosed by Minister of Energy Carl-Axel Petri on Wednesday at the Swedish Gas Association's annual meeting in Malmo. That meeting was devoted entirely to future deliveries of natural gas to Sweden.

Natural gas is going to provide a considerable share of Sweden's future energy supply.

Natural gas may become immensely important especially when the time comes to start phasing out nuclear power, since we may experience some electricity shortages at that time. When that happens, it may become appropriate to increase our consumption of both natural gas and coal, said Minister of Energy Petri.

But negotiations for purchasing natural gas are complicated. The high prices asked by the Soviet Union, for example, when eastern Sweden was offered gas that would be delivered by pipelines passing through Finland, cannot be accepted.

Price is a problem. The minister of energy said that suppliers want to be paid at rates based on oil prices. But we cannot buy gas at crude oil prices.

The Russian gas project is currently being evaluated from many angles, including the standpoint of security policy and the question of cost. The question of emergency preparedness must also be considered.

Long Term

Claes Lindgren, managing director of Swedegas, says, "It is immensely important that we conclude long-term delivery contracts--covering at least 40 or 50 years."

Negotiations with the Soviet Union will resume on 16 December. But Swedegas does not expect quick results from the discussions with the Russians.

Sydgas [Southern Gas Company] will come first in plans for natural gas in Sweden. In just under 5 years, the first natural gas will reach Sweden through pipelines from Denmark. The Skane cities of Malmo, Helsingborg, and Lund will get the first natural gas.

According to Sven-Ake Jonsson, chairman of Sydgas, marketing of the gas has already begun and is going well. There is a lot of interest.

As is true with oil, it is extremely important that there be emergency stockpiles of natural gas.

Emergency Stockpiling

Lindgren of Swedegas disclosed that Skane will get the first emergency stockpiles. Work will begin to drill to a depth of from 1,000 to 2,000 meters in Skane in the hope that the porous sandstone deposits will be suitable for stocking enough natural gas to last from 6 to 9 months.

The total cost of introducing natural gas into Skane, including the Denmark pipeline, will be 800 million kronor. With subsequently large deliveries of natural gas from Denmark--partly from the Danish deposits in the North Sea and partly via a pipeline system from the continent--the supply of natural gas can be extended to other Skane municipalities and toward Halland. When that happens, it is estimated that the investment will climb to 1.5 billion kronor.

Discussion is currently underway in Denmark concerning the profitability of tapping natural gas for the country's municipalities. But there is a smokescreen around the discussions. The public does not really know what is being discussed, and the politicians are afraid that natural gas will turn out to be a lot more expensive than district heating systems.

Sven-Ake Jonsson of Sydgas says, "But natural gas is not going to be used in the district heating plants. Instead, it will replace 'light oil' in private residences and will also be used by the processing industry. From a cost standpoint, natural gas cannot compete with district heating systems in the large cities, but it can provide a good and cheap backup."

The reason is that the distribution network for natural gas is much cheaper than that for district heating in such places as the outskirts of large municipalities or in smaller municipalities where a district heating plant is unprofitable.

There is great optimism concerning natural gas in professional circles.

Plenty of Gas

The Swedish Gas Association's outgoing chairman, Olof Blomqwist, who has worked hard to bring natural gas to Skane, says, "Exploration over the past few years has indicated that there is probably considerably more natural gas than oil."

And Minister of Energy Petri is also optimistic concerning the supply of natural gas.

"The Norwegians have made amazingly large gas finds in the North Sea. Natural gas--especially Norwegian natural gas--may become a permanent raw material for energy in Sweden."

Canada is willing to sell Europe 20 billion cubic meters of natural gas annually. Swedegas does not want to import Canadian gas directly into Sweden. But Canadian deliveries may feed the European network that Sweden will be hooked into.

Canadian gas deliveries to Europe will be made by LNG tanker.

That fact is of the greatest interest to the Kockums Shipyard in Malmo, which has specialized in producing just such tankers for gas. Kockums can also build LNG ships that are also icebreakers, and that is just what Canada needs.

The result is that the European rush for natural gas may also be of significance to Sweden's hard-pressed shipbuilding industry.

11798
CSO: 3109

FRANCE CRITICIZED AT EUROPEAN TERRORISM CONFERENCE

Paris LE MONDE in French 15 Nov 80 p 44

[Article by J.-M. Durand-Souffland: "France Is Challenged"]

[Text] Strasbourg.--Approximately 100 parliamentarians, (experts, lawyers), academics and specialists in security matters from the 21 member states of the Council of Europe met in Strasbourg on Wednesday 12 November, to study for 3 days the immediate and joint implementation of ways to combat terrorism, "the all-embracing challenge to our society," as it was described by Gaetano Adinolfi (Italy), deputy secretary general of the Council of Europe, in his opening address.

The Council of Europe had already adopted, in January 1977, a convention for the suppression of terrorism, then, last year, a recommendation on "the defense of democracy against terrorism in Europe, problems and responsibilities," which is the basis of this conference.

Four large topics were on the agenda, and the conference took up in succession the legal and political questions (limitation of individual rights, independence of the courts, responsibility of political parties and governments) and the questions of security (collaboration among the police forces, the security services and the public). This part of the work was conducted behind closed doors [other topics included] the role of the media (the connection between freedom of the press and propagation of terrorist ideologies) and international cooperation (establishment of a European legal area, questions of extradition, etc., etc.).

The French Government was the subject of sharp criicism from several quarters. The rapporteurs reproached the government for being rather "ineffectual" in the struggle against terrorism, even though they were not squarely accusing it of encouraging this terrorism by granting unjustifiable hospitality to those who practice it. Thus Alfredo Marco Tabar, the Spanish senator (Democratic Center Union), vehemently reproached France for harboring members of the ETA [Basque Fatherland and Liberty Group] and Basque separatists on its territory. This accusation was bound to provoke strong reactions from Jean Bozzi, deputy (RPR) [Rally for the Republic] to the National Assembly, and Gerard Israel, deputy to the European Assembly.

In the same fashion at the closed-door session on Thursday 18 November, Klaus Herbert Becker, chief of the antiterrorist division of the Federal Office for Criminal Research (Bundeskriminalamt), was to make some "extremely critical" remarks

about the French police, according to a British delegate. Becker reportedly asserted that "the structure, the organization and the methods of the French police are not suited to the struggle against terrorism."

Finally Professor Paul Wilkinson (Great Britain), author of three of the reports under consideration ("Acceptability of Negotiations Between Agencies of a Democratic State and Terrorists"; "Adaptation of International Cooperation Among Police and Security Services"; "Problems Posed by the Establishment of a European Judicial Area"), reproached the French authorities for "lacking forcefulness" in pursuing and condemning international terrorism. He believed that "Paris has become the center of international terrorism" and that "the tradition of France as a land of asylum is being exploited by the extremists."

In fact, Mr Wilkinson regarded as "chimerical and too ambitious" the idea launched in 1978 by Valery Giscard d'Estaing creating a European legal body. To Wilkinson, the Council of Europe's convention against terrorism--"which France has not ratified," he pointed out--now represents the best system for European cooperation in the struggle against terrorism.

9719
CSO: 3100

EUROPEAN SPACE AGENCY ANNOUNCES 1981-1990 PLAN

Paris LE MATIN in French 1 Dec 80 p 17

[Article by Robert Clarke "Dark Future for Europe's Space Program"--passages between slantlines originally published in italics]

[Text] Europe spent less than 15 Fr per person on space programs in 1980, or 7 times less than the United States and the Soviet Union on a per capita basis. This face is deplored in the report of the Eurospace industrials group. Meanwhile, an increasing malaise prevails at the European Space Agency: the new director general is making cuts which it is feared will impact on the research intended to define the nature of European space programs in the 21st Century.

What does the future hold for Europe's space program? At a time when the United States is preparing to launch their new device, the space shuttle, which should mean a radical breakthrough in utilization of space for industry, one has the impression, among the experts, that Europe is marking time, worried about budgets, and lacking in creative imagination.

The body responsible for orchestrating cooperation in this domain is the European Space Agency, whose headquarters is in Paris and which has just been given a new director, Eric Quistgaard, a Danish industrialist. Mr Quistgaard has offered a European space program for the decade 1981-1990 which is stirring up a lot of feeling among the personnel of the Agency, the space industrials, and scientists.

This document does not try to disguise the fact that it will be necessary to manage the European Space Agency with austerity in the years ahead, which will be expressed, among other ways, by the peaking of expenditures at 2.5 million Fr, or more than 1 billion less than this year's budget. That will have repercussions on personnel: there is talk of an overall cut of 10 percent but also of the elimination of some program groups. The elimination of the directorate of "future programs" greatly disburbs the scientific experts in the organization, for this is where some 40 specialists were preparing long-range programs intended to orient the activity of the space agency over the next 10 years. How they will be replaced is still not known.

Has Europe decided to protect its position in space, against American, Soviet, even Japanese ambitions? This is the real question, which subtends the anxiety

of the personnel of the space agency. Will Europe choose, for example, as its vehicle of the future, the space shuttle which the United States is going to test next 15 March? This craft, which takes off like a rocket but lands like a glider and can be re-used, appears to many to be more economical and flexible than the classical rockets.

Must Europe then continue its cooperation with the United States in this domain? Already we are supplying the orbital laboratory that will be launched with the space shuttle. Or should we, on the contrary, guarantee our independence in this field as we have done in the fields of telecommunications or earth observation satellites? Which could be done, as the National Center for Space Studies [CNES] suggests, by modifying the Ariane rocket, making the supersonic glider Hermes the last stage and achieving a sort of European minishuttle.

This decision cannot be correctly made until after the completion of technical studies which should be undertaken immediately, in order to produce by 1985 the plans which should be actually fulfilled by 1995. This requires creating a large reservoir of specialized studies, which does not seem to be, at present, the policy of the new director of the space agency.

The situation is further complicated by the fact that some members of the European space organization--France and Germany, in particular--are pursuing independently, or through bilateral accords, programs which directly short-circuit those of the European agency. This was the case with the telecommunications or direct television satellites. And it will be the same for those destined for earth observation.

The industrials affiliated in the Eurospace organization for their part deplore the absence of /"a great European space program"/ and also the present crisis of the space agency. Europe is presently devoting less than 15 Fr per person to space activities, or seven times less than the Americans or Soviets. Japan is rapidly making up for lost time in this field. It would require, according to the industrials, the very expeditious designation of ambitious and attractive space programs to meet the world challenge and survive economically.

9516
CSO: 3100

TORNADO PROJECT PROBLEMS COULD WEAKEN FRENCH-GERMAN TIES

Summary of Problem

Paris LE MONDE in French 16 Dec 80 p 16

[Article by Jean Wetz, Bonn correspondent of LE MONDE]

[Text] Bonn--The financial "scandal" that is now agitating the FRG is unprecedented in that it directly involves the minister of defense. The affair has to do with production of the "Tornado" twin-jet, variable-sweep fighter plane, which is manufactured in common by Great Britain, Italy, and the FRG. The financing of the program shows a "gap" of 1.3 billion marks (about 3 billion francs) for 1980 and 1981. At present, budgetary plans do not permit the Bonn government to meet its financial obligations by settling the bills that have been presented to it by the manufacturers of the plane.

The project goes back to 1968, when it still bore the designation MRCA (multi-role combat aircraft), denoting a plane capable of carrying out the most varied missions. London, Rome, and Bonn decided to embark on this adventure, which Helmut Schmidt, then minister of defense, characterized as the "biggest technological project of our time." It was a question of entrusting to a single type of aircraft all the possible actions previously distributed among interceptor, ground support, bomber, and reconnaissance planes. With its variable sweep (the wings fold back along the fuselage at high speeds and fold out for landing and take-off), the Tornado, theoretically capable of flying at more than twice the speed of sound, is equipped with a system of electronic controls which, without the pilot's intervention, allow it to fly at an altitude of 30 meters--at a speed close to Mach 1--to evade enemy radar. Some experts, it is true, have always been sceptical. At any rate they called this plane "an egg-laying sow that gives milk and wool."

But it is the cost of the plane that has caused the most unpleasant surprise. Whereas at the beginning its price was estimated at some 7 million marks (over 16 million francs), estimates today exceed 70 million [marks] (about 160 million francs). Still more serious, the organization NAMMA, created by the Bonn, London, and Rome governments to carry out the Tornado project, has been incapable of controlling the financing program. The federal [German] government has just been presented with a "supplementary" bill for 533 million marks (or 1.226 billion francs) for 1980, while the minister of defense has not got a penny on hand to settle such an unexpected debt. According to the budgetary estimates, there will be a shortage of 800 million [marks] next year for paying the manufacturers of the Tornado.

The firms manufacturing the Tornado will have to resort to bank credits, the interest on which will later be repaid by the federal government.

The Christian Democratic opposition, as might be expected, has just taken over the Bundestag. But [Hans] Apel, the minister of defense, is under still more violent attack from certain SPD [Social Democratic Party of Germany] deputies. This attack even compelled him to leave the NATO conference at Brussels Tuesday [9 December 1980?] to go to answer those who were demanding his resignation. But Mr Apel got the support of Chancellor Schmidt, and that appears, at least for the time being, to rule out his resignation.

How France Affected

Paris LE MONDE in French 16 Dec 80 p 16

[Commentary by Jacques Isnard: "Sacrifices"]

[Text] In the field of armaments and in the field of civil and military aviation the FRG's financial difficulties have important and serious repercussions on that country's relations with its French partner in a whole series of agreements on military-industrial cooperation already signed or soon to be concluded.

The tenfold increase in the price of the Tornado plane and the delays observed in the reorganization of the West German aeronautical industry (LE MONDE, 4 December) which caused the federal [German] government to block temporarily the advance of 300 million marks (or 700 million francs) promised to the manufacturers of the European "Airbus," are disturbing to industrialists on both sides of the Rhine and their British colleagues. At the present moment everything is happening as if Bonn, in order to effect savings, were preparing to reconsider--to reduce them or delay them--the military and aeronautical programs already under way or in the planning stage.

As for civil aviation, the federal government has always considered that the "Airbus," before there would be any hope of making satisfactory profits from it, would require long and very burdensome investments. In the military field, it is known that the principal West German chiefs of staff were theoretically to meet next February to consider the problem programs.

Hence the fear in France that the West German partner--from whom, in addition, the United States is demanding a great deal for the cost of stationing allied forces in the FRG--is trying to obtain collective sacrifices on the altar of good military-industrial understanding in Europe. Beginning with France's acceptance of a slow-down or reduction in the "Roland" antiaircraft defense missile program already under way.

There are also threats concerning other common projects, such as that of an all-weather antitank helicopter, that of a fighter plane (called the TKF-90) to replace the F-4 in the FRG and the "Jaguar" in France, or even the project for a new tank, against which the West German government can also argue from the fact that it has its own national program with the "Leopard 2."

5588
CSO: 3100

IMPORTANCE OF FLEMISH SOCIALISTS IN POLITICS ASSESSED

Brussels KNACK in Dutch 3 Dec 80 pp 22-23

[Commentary: "How Weak Is the Link of the Flemish Socialists?"]

[Text] Wilfried Martens has studied his business. He is no longer to be dissuaded from the conviction that in recent years too many transfers have been made to families, to the disadvantage of the state and of the enterprises. In order to set this straight, he formed his current administration with the two most suitable political families, and he managed to involve virtually the whole country in a National Labor Conference. This produced what is referred to, in short, as the draft interprofessional agreement, which was badly received everywhere. One after another the unions are saying no, the self-employed vary in their response, and even the employers -- for whom after all this whole distressing business must be raised -- do not allow themselves to be enthusiastic. But it must be implemented, says the prime minister, because there is no alternative. His Deputy Prime Minister Jose Desmarets of the PSC [Christian Social Party] evokes even greater pathos, if possible: it is a world challenge. He has once again read a book. In recent months, everybody has unanimously insisted that the government /must/ [in italics] govern; consequently, Prime Minister Martens will undoubtedly do this with his typical contempt for the consequences. But after all those refusals, he is actually left with nothing but the political parties. Thus, he will have to ask for their confidence, in parliament. As it should be.

It remains true that it is an ill wind that blows no good. According to CVP [Social Christian Party] Minister of Finance Mark Eyskens, the community thermometer has gone down 20 degrees. We have had to wait a long time for this, but nothing better could actually have happened to this country. When, on the last memorable Friday in August, SP [Socialist Party - Flemish] President Karel van Miert suddenly completely shifted political attention with the four points with which he would score his grand slam in September, we knew that things were getting serious. But we barely realized how serious it would become. Faced with a population which had /not/ [in italics] yet firmly said /no/ [in italics], the traditionally inclined political class -- after 10 days at the Egmont palace -- apparently caught the bug. After having spent years vainly running around with its income reduction package, paradoxically enough it only found an audience in the most progressive two party coalition since Theo Lefevre. But now, there appear to be socialists in there, especially on the Flemish side, who are /more/ [in italics] in the way. Consequently, last week, the spiteful remarks addressed to the SP were uninterrupted. It was called the /weak link/ [in italics] which would yet prevent the hoped for recovery at the last minute.

The question was formulated as if the two socialist parties in the country should now divorce themselves from their unions. Anyone who summarizes the problem this way gives up beforehand to his opponent. Whether the roads those movements take will be separate or not, they will receive the blame for the social ineffectiveness anyway. But perhaps people have become too accustomed here, when it comes to politics, to look in the wrong direction on principle. Union packages are not political programs. Unions live on demands and defense, but parties put forward choices in programs. The question asked at the National Labor Conference was not whether the social partners shared the options of the coalition, but what they thought about them. Opinions are free. One of President Van Miert's most constant themes since 1977 has been that each of the various components of the socialist movement has its own decision making body to determine its priorities. When he recently addressed French speaking socialists in Brussels, Karel van Miert said that to be a member of the SP is equal to swimming against the current.

Whether the union movement is part of the current Karel van Miert has to go against in the Flanders, is not yet clear today. On the surface of it, the Flemish socialists still have a few solid bridges with the ABVV [Belgian General Federation of Labor], which Andre Cools of the PS [Socialist Party - Walloon] has deliberately allowed to collapse in recent years. If there are mortals out in the cold anywhere in this world crisis, in the drabness of deepest despair, it is certainly in the province of Hainaut. A PS minister may yet be able to guarantee that he will be able to keep whatever is brewing in Liege under control, but he can no longer guarantee how Charleroi is to get out of the mess. On the Flemish side, matters are still so flexible that on Monday, when asked about this, Karel van Miert could state with an easy mind that a possible /no/ [in italics] from the ABVV on Tuesday, should /not/ [in italics] in the least prevent his SP from saying /yes/ [in italics].

Yes and No

Besides, why should the Flemish socialists allow themselves to be parted from the union movement? The last time a government was formed in Lambermont, the SP was already referred to as the weakest link and the most nervous partner. With its Willy Claes, its Freddy Willockx and its Roger De Wulf, the SP was as aware as anyone else of what was coming, of what reason there still was in Belgium to be in the government. It is not even certain whether, in the long run, they would not have been better off from an electoral point of view if they had stood on the side of the road. But this did not occur, and the party's congress was told the /how/ [in italics] and the /why/ [in italics] of it. /What/ [in italics] responsibility the SP ministers were willing to carry, as opposed to /what/ [in italics] violence directed elsewhere, and with /which/ [in italics] priority.

How did the SP assume its responsibility in the Martens IV administration? In the Keizerslaan they already consider it one of their own contributions that the basic philosophy of the whole Martens plan did not turn into a simplistic approach with vertical measures. The moderation will be modulated, not blindly set at a 2 percent reduction everywhere. Not only do modest incomes escape the income reduction, they are even given space to become better incomes. When the bill is enacted after the New Year, a number of small retirement benefits will even be increased. Originally, the Flemish socialists would have liked to see the threshold amount of 35,000 francs increased, but it reached the amount of 40,000 francs only for the civil servants. If the SP is to be believed, the principle that modest incomes should be left alone and that mechanisms for a secure level of prosperity should be set up for that

category, is a principle which was not established without a fight. It would be a mistake to portray the Flemish left now as a partner which dejectedly puts up with this plan; on the contrary, it is also theirs. The SP had been on the offensive prior to Egmont as well as within its walls.

It does not even end there. Before the unions made up their mind on Tuesday, the Flemish socialists held a general board meeting. It was expected that this board, which replaces the sovereign congress in urgent cases, would produce a few additional demands for the adjustment of the government text. As follows. The fact was that the socialist rank and file wanted to see that threshold amount of 35,000 francs better defined in the law as the real /base wage/ [in italics], on which displacement and other compensations could also be grafted. As a matter of fact, nobody denies that there are supplements and acquired rights in addition to some salaries, which are paid primarily to fight real expenses or inconveniences. It did not seem likely either that the representatives of the socialist federation would be going home without also demanding a supplementary crisis tax for really high incomes, for example a net income of more than 2 million francs a year. It would also have been difficult not to talk about the question of whether or not to establish the fund or funds for industrial renewal. At this time, the government does not yet have a clear idea of the pot in which it will put the money saved by the enterprises. The left will definitely not vote for plans which do not concretely regulate the use of that money to create jobs. The prime minister is asking, in the name of the business world, to be allowed to moderate for a period of 2 years. The socialists are not saying that they do not want to participate for 2 years, but they do want to include a clause in the text, whereby, after 1 year, the opportunity would be formally created to evaluate the whole operation: whether the plan is being implemented in a balanced and just manner, and whether it accomplishes anything at all.

How weak are the Flemish socialists as a link in the trust which Wilfried Martens will have to ask for? Perhaps they are not any weaker than the respect itself which is required for any elementary social decency. Because, would you like to be De Wulf? Mark Eyskens claims that it should be possible to take off 2 percent in a country where incomes have doubled over the last 15 years. Nobody here has the feeling that he is being spoiled, but this is what the statistics show. What is coming, of course, is a dent in the purchasing power of the working people and of those who receive social benefits, but the most will have to be forked out by those who, in fact, are already affected by the crisis. That is to say, those who have been unemployed for a long time and whose situation, to put it as mildly as possible, will become much less attractive. All of this must be implemented, while nobody is in any position to give the slightest guarantee as to whether the soon to be generally imposed wage reduction will result in the creation of even the smallest job. As a novelty in the way of doing things in this country, this certainly carries its weight. Last week, SP Minister of Employment and Labor Roger De Wulf had to admit that there is nothing to prove that we will be better off because of the moderation, only that without it we are heading for a catastrophe.

So much diffidence on the part of a leftist member of the administration -- who, incidentally, came personally from the social movement -- indicates that the socialist ministers duly realize that they have no other choice than /to fly low/ [in italics]. In an economic system in which the government, in spite of its massive transfers, is far from having become the dominating factor, caught as it is in the internationally supported position of the existing employers' structures, the administrators have no other choice than to accept the recipes of the employers'

analysis. When it cannot even be proven that the recipes will do any good, then the highest ambition left is to make sure that the threshold of a certain reasonableness is not crossed. But even without the addition of a single new job next year, a small result has already become visible. If the costs, which the employers will soon be saving in their enterprises, would only be used to cover the simultaneously increased costs of social security -- as a result of a raising of the ceilings --, then the workers will see their own money as such being paid into their own social security. It has always been this way, and perhaps it will always be this way: there are calls for cleaning up social security, and once again we are paying for it ourselves.

Where do we actually stand? Is this now the big deflation or not. SP Minister of PTT [Posts, Telephone and Telegraph] Freddy Willockx, who is a member of the inner cabinet, said last week in Louvain that it is not, but it certainly looks a great deal like it. Furthermore, no member of the government opens his mouth any longer without reference to tens of billions of francs being dropped which would have to be economized in a supplementary manner to keep things straight. But the more overcast the sky becomes, the more brilliant Mark Eyskens becomes. His Ministry of Finance has already calculated that in the first stage, this moderation will cost the government 3 billion francs. He is already certain of 6 billion francs less in tax receipts, but hopes that half of this will be recovered by plugging a few economic leaks. And, he warned in LE SOIR: we are /futurophagous/ [in italics]. We eat up our future without knowing whether it is digestible.

8463
CSO: 3105

GOVERNMENT'S INTERPROFESSIONAL AGREEMENT TO SOCIAL PARTNERS

Brussels KNACK in Dutch 3 Dec 80 pp 26-27

[Article by Toon Lowette: "No Thought Beyond 2 Years From Now"]

> [Text] The government now knows the answer of the social partners to the proposal for the interprofessional agreement, or the moderation plan, which it presented last Monday, during the final session of the National Labor Conference [NAK], to the workers and employers. Most of the answers are apt to produce a series of questions. Because none of the participants of the NAK have a clear understanding of the content and the consequences of the moderation and the income reduction.

Both on radio and on television, Prime Minister Martens has explained how everybody, all the occupational categories will give up an equal part of their income. The 59 percent of the working population who are workers and employees will come up with 59 percent of the billions of francs of moderation, the civil servants will do the same thing in proportion to their number, and the same goes for the self-employed and the liberal professions. This way, according to the prime minister, the moderation -- for which there is no alternative -- is spread evenly.

However, this is not felt to be true everywhere. Last week, figures were added and re-added on pieces of newspaper, on beer coasters or on other paper, all over the country. Workers and employees who earn more than 35,000 francs a month -- the magical moderation limit -- and who, for example, were to receive a scale increase or a CAO [Collective Labor Agreement] adjustment in the course of next year, quickly noticed a reduction of their disposable income -- in no small degree due to the raising of wage limits for social security -- by 1,000 to 2,000 francs. And everybody also began to think about the proportionately reduced vacation money and the 13th month.

On the other hand, the worker noticed that the rates were frozen for a number of liberal professions, and that it will be possible to restore them in full measure in 1982. Public mandataries only have to give up 5 percent of their often cumulated income and notaries public only have to return 5 percent of the much too large 20 percent present which had quickly been handed to them 2 years ago by Minister Van Elslande. Furthermore, it is the going opinion that no adequate effort has yet been made to try to find out exactly how large and how accurately reported the incomes in this liberal professions category really are, and, consequently, an irritated fear is being expressed everywhere that it threatens to become solely a

moderation of known incomes, salaries and wages. The comment is made then that Prime Minister Martens would have done better to calculate the billions of francs to be moderated in proportion to the incomes of the various occupational categories.

It also appears from the reactions that the small businessmen's organizations, even if they do not say this very loudly, have reacted positively and that the Federation of Belgian Enterprises [VBO] is pleased with the results of the National Labor Conference. Even though their statements tactfully add that they have some reservations about the continuing bad situation of public finances.

For the unions, favorable reactions from the employers and the small businessmen in themselves are usually reason enough for suspicion. Last week, numerous union organizations uttered a strong to very strong /no/ [in italics]: the clothing and metal workers federations of the ABVV [Belgian General Federation of Labor], the employees' federation of the ABVV-Liege, the General Federation ABVV-Charleroi, the regional branch ABVV-Antwerp, but also the overall more moderate Christian union with several branches among which the employees' federation, in the Flanders as well as in Wallonia, and the Liege branch of the ACV [Confederation of Christian Trade Unions].

Everywhere the same words were heard: why should the heaviest burden of the moderation fall upon the wage earners and civil servants, and where are the guarantees that all of this serves any purpose, that the crisis and unemployment will improve? The government has no answer for this last question. The documents explaining how the moderation in practice will produce job results are still being prepared. Nothing is known yet about how the moderation money, in the businesses and in the government itself, will be chaneled toward greater prosperity. How is this supposed to work in practice? There is no real coercion to moderate. Businesses which would like to have some of their workers earn a little more will easily be able to find a way out of this. Not only legally, but also simply because there is no government oversight apparatus to determine whether they are really moderating in business X or Y. Because of its very nature, the employers are likely to respond to this government appeal. Employers will not need any legal coercion to pass the wage reductions on to the accountant and the cashier.

How is that money to be used then? On the last day of the big debate, last week Monday, the participants still started off with the idea of a new public fund, which would use the collected moderation money to renew the economy. But Willy Claes had promptly noted that there already was such a fund, the Fund for Industrial Renewal, and a number of negotiating minutes were used skirting around that issue. However, the employers did not come to hear about a moderation which would be of no further use to them in their business, and hence the establishment of funds per business or per sector as a working idea. Next step, these could then be supervised by the works councils. Great, but not all that simple either. Who is to determine the sum which is being saved in an enterprise as a result of the moderation regulations? Could the increased employers' contributions to the RMZ [Social Security Administration] be deducted from that figure? If these sums were to result in profits, should they then be included in the company's taxable income? Or is the company fund to be a non-taxable investment sum? One might also ask such questions as what direction the investments would go, whether the company really was and is planning to make additional investments, whether an embargo will be placed on the use of money from the moderation fund to purchase labor saving machines, and the like. The whole

question thus revolves around the job guarantees which, according to the major declarations, are supposed to result in time from the moderation and the income reduction. The question is whether it is worth the trouble and the fuss.

Last weekend, at the Antwerp district ABVV congress, a militant figured out that the freezing of CAO's at General Motors would free 75 million francs. How can he, the militant, be sure that new colleagues will be hired to the tune of 75 million francs? Jacques Yerna of the Liege ABVV does not believe that this will occur anywhere: the employers know that they would be crazy to reinvest the money in their company if the return is better and easier to obtain elsewhere. Even if the whole interprofessional agreement does not come about and a number of things are settled by law, there are the problems of timing -- everything was supposed to become effective on 1 December -- and the problem of the attitude of union mandataries in parliament, within the SP [Socialist Party] and the CVP [Social Christian Party]. Even if a moderation bill is enacted -- instead of an agreement ratified as a royal decree -- there will not be an automatic job related result. The 1976 recovery act, which moderated so successfully, did not noticeably fill a single job. Even the 1979 revival only produced labor savings, just as a new revival in the construction sector in 1981 will not take a triumphant number of individuals out of the unemployment lines.

Minimum Subsistence

Prior to the weekend, the CVP newspaper ZEG announced nearly triumphantly that the budgetary deficit in 1981 would amount to 150 billion francs rather than 90 billion. At this point, nobody knows the exact impact of the moderation proposals on public expenditures. It is more than probable that the government will also have to remit. In terms of social security, the partners have noted with satisfaction that, because of the income reduction, next year's deficit is no longer a problem, and with equal satisfaction they have once again postponed the fundamental reform. The large budget round for the government is still to come. The current moderation plan has also created new irritations on the side of the workders because in between adjustments the workers and the high hourly wage are steadfastly blamed for the crisis, and because everybody should after all understand that if the workers reject the proposals, they might as well put economic recovery on their account too. Soon the government will have to decide whether it will save, take out loans or levy taxes to cover the new budgetary deficit, and the climate will once again, very probably, not be friendly to labor.

Will this then improve the situation of the least advantaged? This should also be one of the results. Aside from small adjustments, the lowest retirement benefits and other allowances do not change in any material way, so that this operation becomes completely marginal. Neither have there been any calculations as to how many people will be able to climb above the standards of a humane minimum subsistence level, just as there are no figures for the number of people who will slide /under/ [in italics] that threshold because of the moderation and because of the substantial curtailment of unemployment benefits.

The employers who, in contrast with the political personnel, always call for the pursuit of long term visions in economic practice, are in full agreement here, however, with short term measures. Will the financial improvement due to the moderation cause our exports to become more selective, will our technological competitive strength improve, will our industrial offerings become more modern, will the

qualifications of the managers improve due to the moderation and will fewer bankruptcies be attributable to the lack of such qualified managers? None of these questions has been asked, only the figure at the bottom on the right hand side of the balance sheet for the end of 1981 was considered to be important during the negotiations.

Meanwhile, the united employers have also organized the reduced demand for their own products. On the average, a family spends half of its income for rent or mortgage payments and for food. These are fixed costs. A 2 percent moderation, for example, becomes 4 percent on the other half, 4 percent which is usually spent on very standard useful goods, which consequently become even more sensitive to cyclic movements as a result of the savings. At the same time, there will be fewer savings, so that the capital market will dry up even more, which will result once again in increasing interest rates. No further thought has been given beyond the 2 years of moderation.

8463
CSO: 3105

EYSKENS FORECASTS SHARP RISE IN NATIONAL DEBT

Brussels LE SOIR in French 11 Dec 80 p 2

[Article by Guy Depas]

> [Text] Taking all administrations together, the government's overall debt could reach some 4 trillion francs next year.
>
> The only way to appreciate the relative dimension of this figure is to make comparisons. Four thousand billion is the equivalent of three and a half times the nation's anual budget and it is also 200 billion more than the gross national product expected by Belgium for the next year. If you like, it is 200 billion more than the country, including all administrations combined, will be able at best to acquire in 1981 to live, save, invest, face its obligations.

It is a round figure. It is the result of the extrapolation done by certain specialists in public finance from data that are henceforth irreversible furnished for 1980 by the finance minister, Mark Eyskens: 3.5 trillion of which 2.7 trillion represents the unpaid bill, so to speak, of the state, that of certain positions not carried in the budget, that of local administrations and social security, and about 800 billion represents the amounts loaned and not reimbursed by the para-governmental organisms (credit, housing, transportation) but guaranteed by the state.

Someone will undoubtedly object to the fact that there are double jobs, the para-stataux of credit, particularly, holding an important public funds portfolio. Undoubtedly someone will also object to its being an extrapolation.

Of course.

But the fact remains that the liability of the authorities is henceforth committed to what amounts to the equivalent of the gross national product, and that it is not unreasonable to think that this liability will increase by 500 billion next year. In fact, for the last 5 fiscal years the situation has only deteriorated, at an insane rate. Including everything, the debt has

increased successively from 1.857 trillion in 1975 to 2.117 trillion in 1976, to 2.456 trillion in 1977, to 2.746 trillion in 1978 and to 3.072 trillion in 1979, before ballooning by over 460 billion more in 1980.

"I am like a volcanologist who walks along the edge of an abyss without seeing its bottom," the finance minister said on Tuesday from the rostrum of the Gaulois Circle. No doubt.

But if there were still hope of preventing a fall to the bottom of the abyss--

The recovery and austerity plan that is making economic, social and political news "is merely a rather inadequate beginning," Mark Eyskens acknowledged. "To control the situation will require several years--5 years?--of sustained effort." Although some would like to believe him, others, on the other hand--

Be that as it may, the most recent developments are scarcely reassuring.

More in November

We have just learned that in November, according to signs that are always provisional, the depreciation shown, in relation to forecasts, by fiscal revenues was on the order of 5 million additional, or approximately 40 billion for the first 11 months of the fiscal year.

Moreover, we have learned that it is definitely established that the government's public debt--that is to say, the debt that is taken charge of directly by the treasury, excluding social security, local administrations, and the debt guaranteed by para-state organisms--was stretched out by 20.2 billion last month.

When they find out that this is the first time since January that the monthly pace has not accelerated in comparison with the previous fiscal year, the optimists will be relieved. However, objective analysis requires emphasis on the fact that the increase in the treasury's indebtedness has just leaped this year over the bar of 300 billion (300.4 billion to be exact). It is permissible to tremble.

This figure, which except for an accounting trick--deferring the December due-dates to January 1981--will not go lower again, shows the extent of the trouble our finances are in: in 1980 the government's direct debt, apart from that of the local governments, social security and the paragovernmental organizations, which has increased by 143 billion, increased by 88.6 billion over that in 1979, or 41.8 percent. Enough to justify the finance minister's cold sweats and, on the rebound, those of his budget colleague as they look ahead to the negotiations to which the operations of controlling the nation's forecast accounts for 1981 are going to give rise.

Eight Percent of the Gross National Product [GNP]

In relation to the GNP estimated for 1980 (which was greatly overvalued), the increase in the public debt represents over 8 percent. Never since 1960 has it reached a higher percentage than 6.5.

The total debt being thus brought to 1.943 billion, moreover, today it represents nearly 55 percent of the theoretical GNP, the highest figure in 15 years.

We mentioned above the prospect for control, which for 1981, if the country is not to be plunged into disaster, will have to be changed by fundamental renegotiation of the draft budget of Ways and Means, which is currently under discussion in Parliament. The credibility--or total absence of credibility--of that draft can also be evaluated in the light of the growth of the public debt.

An Unorthodox Budget

Let it suffice, therefore, to recall that the growth of the treasury's direct debt was initially forecast in 1980 at 231.7 billion. In August the figure had been revised to 253.7 billion and 1 month later the finance minister--a liberal at the time--described as one would an apocalyptic vision the prospect of an increase of 280 to 285 billion.

Moreover, while all the specialists are in agreement--including those in the entourage of the treasury itself--on recognizing that for 1981 we must not count on an increase of the direct debt lower than 300 billion, the unpaid bill, if one relies on the draft budget, should be stretched next year by a mere 242 billion.

This gives an idea of the dimension of the financial problem and the political problem that Martens IV is going to have to confront in January if he survives the setting up of his recovery and austerity plan--which is already outmoded.

8946
CSO: 3100

QUEBEC PARTY TO RECRUIT OTHER ETHNICS

Montreal LE DEVOIR in French 10 Nov 80, p 3

[Text] In view of the fact that the great bulk of the new Quebecans are loyal to the Liberal Party despite the remarkable services rendered by the former immigration minister Jacques Couture, the Quebec Party yesterday opened a campaign of publicity and recruitment designed to double the number of its active members within the various foreign language communities of the new citizens of Quebec.

Before about 50 militants meeting at the Hotel Windsor for the occasion, the deputy from Rosemont, Gilbert Paquette, expressed the hope of seeing soon within each ethnic community the rise of an active Quebec Party section which will partly counterbalance the liberal preemption of the media and the leaders of these communities.

"Even if the majority of the large information media support the liberals," he said, "the vigilance of the citizens and the varied political convictions of the journalists make it possible to maintain a certain balance. Unfortunately, these factors play a much smaller role in the media of the ethnic groups, so that it is very difficult to make the Quebec Party point of view understood."

In this vein he exhorted the party militants to intervene much more actively in their communities, so as to compensate for this imbalance.

On the same occasion, the party distributed to its militants a brochure which praised all the achievements of the Levesque government which might attract the sympathy of this rather forbidding clientele.

Mr Paquette revealed that his party intends to rely first on this brochure and on the mobilization movement against the federal constitutional maneuver in order to brighten its image among "Quebecans of new stock." At a second stage, at the approach of the elections, it is planned to insist more on the policy, adopted by the last national enlarged conference of the party, of opening up to the ethnic groups.

The new Minister of Immigration of Quebec, Gerald Godin, also participated in this meeting with the "ethnic militants" of his party, but was very discreet about forthcoming ministerial policies. "I have not even had time to meet my deputy ministers," he said. "I, therefore, cannot take a position on anything in my capacity of minister of immigration," he said.

6108
CSO: 3100

PQ'S PERFORMANCE IN PAST FEW YEARS APPRAISED

Quebec LE SOLEIL in French 15 Nov 80 p A 6

[Article by Gilles Lesage: "The PQ From Hope to Disillusion"]

[Text] Four years ago today, in the euphoria and hope of joyful tomorrows, the Quebec Party took power in Quebec. "We are not a small people; we are something like a great people," proclaimed with emotion Mr Levesque, who had never felt so proud of being a Quebecan.

At the dawn of a fifth year overcast with clouds, the government lost the spontaneity and freshness which had characterized it and, enmeshed in an inextricable constitutional debate, it gave the impression of having matched its taste for Quebec with its taste for power. It, which had seen a clear and brilliant future smiling upon it, was now the victim of disillusionment and disenchantment; it had wanted to be the spearpoint of Social-Democracy in America, and now it was faced with recession and unemployment, with the turn to the right which is afflicting the Western democracies.

It is too early to make a full assessment of this government, which will have to submit to the verdict of the people a year from now. But from now on it must recognize that it is trying to fulfill its great electoral commitments of November 1976. It achieved a certain number of important reforms which even a conservative government would jeopardize at its peril.

I am thinking, of course, of the French language charter (Law 101), the agricultural zoning, automobile insurance, fiscal policy, municipal democracy, the cleaning up of election financing and several other measures which required a certain courage. But above everything, it seems to me that this government succeeded in reestablishing a certain popular confidence in the integrity of its elected officials, who have shown an acute sense of public morality and good use of the public monies. Even taking into consideration the famour "hole" of $500 million in school financing.

This picture is, of course, overcast by persistent shadows. The government did not succeed in reestablishing the economic prosperity which it promised, even though it knew that its room for maneuver was extremely narrow; it also failed to establish the climate of mutual consultation which it called for so fervently; the bridges are still as fragile as they were, or almost so, with the large English-speaking minority with whom the great economic and financial decisions are taken. Because it attacked many private interests and rocked secular traditions, the government inspired the mistrust of the tinpot potentates without retaining the active sympathy of its natural allies, particularly the trade union headquarters.

This brief survey of the "good and true" government cannot make an abstraction of the essential: the sovereignty-association draft, which has been at the very heart of the activity of the PQ [Quebec Party] for 13 years. The referendum promised in November 1976, which contributed enormously to the PQ victory, only came three and a half years too late.

In contrast to its clarity in other areas, the government thereupon prevaricated to such an extent, refined its question, and waited for the proper moment, that it more or less damaged its credibility. In any case, considering itself shrewd, it forced the opposition parties to make common cause, thus accentuating the polarization from which the Liberal Party is now deriving the greatest advantages.

The 20th of May marked a break, the end of a great and generous dream, from which the government has not recovered, a little like a boxer struck full in the chest. Despite its defensive withdrawal, the PQ and the government which it produced have been proceeding in an ambivalent and equivocal, if not paradoxical position. Their national project remains the same, and sovereignty is its first and basic objective, but the members of the PQ are trying at the same time to set themselves up as valid spokesmen for the renewal of federalism.

Mr Ryan has the cards stacked against him then--even if he abuses it in shameless fashion--in trying to get out of this irremovable contradiction and in making the government pay dearly for the unanimity which it desperately seeks in its struggle against the unilateral repatriation of the constitution.

The motion being discussed in the National Assembly illustrates perfectly the dilemma of the government: on the pain of betraying itself and its militants, it cannot decently proclaim its faith in federalism; but if it does not do so, it loses the support of Mr Ryan in a move which, to have any chance of success, must be that of the three parties represented in the assembly.

What a tragedy for this government at the end of the race and out of breath: not only has it not succeeded in making the great turn which the 15 November led one to hope for, but it is almost obliged to crawl to strive to save the furniture. It has lost everything save honor, stubbornly.

And it fears the election verdict of the silent majority which Mr Ryan has put into his vest pocket!

6108
CSO: 3100

'LE MONDE' REVIEWS ECONOMIC SITUATION IN QUEBEC

Paris LE MONDE in French 16, 17 Dec 80

[Article by Jean Benoit: "Crisis and Unemployment in Quebec"]

[16 Dec 80, p 7]

[Excerpts] I. "Asphalt Cowboys"

> In the face of current problems, with unemployment foremost among them, many industrialized countries are stepping up job assistance measures. In Quebec, one of the wealthiest provinces in the Canadian Confederation, an "Economic Solidarity Operation" set up last year granted absolute priority to establishing permanent jobs in various production sectors. Was this program adequate? After the great disillusionment of the referendum on "sovereignty-partnership"--considered a temporary setback by advocates of independence--an analysis of the vote and the electorate's socioeconomic motivations has led Mr Levesque's government to strengthen, since the summer, its program in favor of the underprivileged and elderly, but also the unemployed and especially young people. It is said in Montreal that the French-Canadian people's very future is at stake.

Effects of "Baby Boom"

Today's Quebec is only beginning to free itself from the confederation's political stranglehold, but it is still experiencing the effects of the "baby boom" of the fifties.

The period from 1953 to 1962 had the highest postwar birth rate. In 1978 this population, now working age, represented a sizable portion of the adult population: 1.258 million young people. Of this number, 752,000 or 59.8 percent were already no longer attending school and were therefore working or were theoretically seeking employment, and about 140,000 of them were unemployed. At the present time, the number of jobless young people is still

generally almost twice that of unemployed adults and cyclical unemployment accounts for 30 percent of this statistic, as opposed to 20 percent in the case of adults.

300,000 Without Work

With a working population of 2.800 million people, Quebec has about 300,000 unemployed persons. Nearly 145,000 of them, or 45 percent, are between 15 and 24 years old. More than one-fourth of Quebec's labor force comes from this group of 15- to 24-year-olds, as opposed to barely 20 percent in the United States and even less in France. These statistics, furnished us by Mr Michel Archambault, deputy minister of labor and employment for Quebec, represent a most significant challenge in an economic situation which is even more unfavorable since, for several years, Quebec has been recording an influx of female labor into the labor market. "The very future of the people of Quebec is at stake," Mr Archambault concludes.

The employment problems of young Quebecois seem all the more surprising since the recession is having a greater effect on highly industrialized provinces such as Ontario, which is experiencing the repercussions of the American automobile crisis in Detroit. Moreover, despite a high energy consumption, Quebec is less affected by the oil crisis than other French-speaking nations because of its relative autonomy in this respect. It is second among industrialized countries, after Norway, in terms of the percentage of energy needs satisfied by its own hydroelectric power system. In the far north, off James Bay, where only a few thousand Eskimos of the Inuit tribe live, Quebec claims the better part of the wealth which will be provided to the entire confederation by the largest hydroelectric complex in the world. However, like the other provinces, Quebec has to deal with a growing excess of expenses--to which its political status, for that matter, is not unrelated--and it is also experiencing the effects of the American recession and world inflation.

Economic Weight of United States

Finally--and this is not that country's smallest paradox--"opulent Canada," as the French imagine it to be, has been able to build a capitalist economy for itself only by proxy. "Nearly 80 percent of our large companies," sighs Mr Pierre Marois, Quebec minister of social development and one of Mr Levesque's principal associates, "are still in the hands of the Americans, with all the resulting consequences. We are the leading producer of chrysolite asbestos in the world (1.400 million tons annually) and one of the leading producers of iron, copper, gold and zinc. Our iron deposits are among the richest: 4 billion tons. But the multinational corporations export our ores to 80 countries and domestically process only materials which are not very refined. We are left with only the pollutant processing industries."

Except for the paper manufacturing sector, many manufacturing industries--leather, clothing, textiles, 25 percent of industrial wage earners--are on the decline. Of the 2.800 million employed Quebecois, only 600,000 [illegible]king in the manufacturing industries (10 percent of the total population), with

about 70,000 in agriculture and forests--which are often federal territory--and 43,000 in mining. In short, a situation which is not very far removed from that of Lorraine and Wallonia ... and certain Third World countries.

Corresponding to this plunder of national wealth is the inequality of incomes in a unified Canada which tends, even today, to favor English speakers--even in the heart of Quebec. Whereas French speakers represent 86 percent of the working population in this instance, this proportion drops to 69 percent in the case of management positions and jobs of a highly technical nature. The result: there are twice as many sons of English-speaking families entering universities. In Montreal, the average income of an English speaker is 8,575 Canadian dollars, as opposed to 6,612 for a French speaker. And the unemployment rate, slightly more than 5.5 percent for the confederation as a whole, is 9.6 percent for Quebec.

Would anyone be surprised, therefore, that the three major trade unions--the powerful 334,000-member Federation of Workers of Quebec (FTQ), a product of the Canadian Labor Congress, a close relative of American trade unions, and the Confederation of National Trade Unions (CSN), with approximately 200,000 members, which has readily been compared to the CFDT [French Democratic Confedration of Labor] since its "deconfessionalization" in 1960, and even the Federation of Teachers (CEQ)--are together leading, with only a few slight differences, the traditional fight for labor demands and the struggle for independence?

[17 Dec 80, p 5]

[Text] II. A Strategy Against Ottawa

> Quebec has been severly hit by unemployment affecting young people in particular. The province, dominated by American capital, is experiencing the effects of the recession in the United States. Local authorities are trying to develop their program in favor of the underprivileged (LE MONDE of 16 December).

Quebec--To fight unemployment, which is affecting Quebec more than any other Canadian province, Mr Levesque's government is trying to develop the program in favor of the underprivileged, the unemployed and especially young people seeking employment. It is necessary, Parti Quebecois leaders say, "to regain contact with young people." A difficult task in a period of crisis, but also part of the strategy in regard to Ottawa.

In recent months, with the exception of the maritime provinces, Quebec has recorded the highest rate of unemployment in Canada, or about 10 percent, whereas the national average was 8 percent. Mr Levesque's government is even more mindful of this situation since it has noted, based on the results of the referendum vote on "sovereignty-partnership," that the bulk of its electorate will be composed of young people in future years. Reduction of unemployment would make it possible to increase the national income of Quebecois, provided that Ottawa's budget policy can be harmonized with that of the province.

Employment fluctuations in Quebec generally follow those of the rest of Canada. They have their differences, however. Their extent is more pronounced--such that, economists note, the province needs a budget policy which would be more expansionist than the national average during a period of economic contraction and less expansionist during a period of economic expansion. The frequency of these fluctuations is also greater than elsewhere, due to specific disturbances: internal tensions (such as the local natural resources sector) or external tensions (such as the automobile crisis in Ontario).

Regaining Contact with Young People

Quebec thus needs an employment policy which the federal government--which arranges its budget on the basis of the average employment situation in Canada--is not yet ready to support. In the absence of such a policy, Mr Levesque's friends want to develop the strategy begun last year in favor of the unemployed and plan to include in this program measures which will make it possible to regain the support of young people between 18 and 29 years old, as well as that of businesses, whose support is essential.

"We have failed in our responsibilities to young people. We have not followed our program as we did in the case of women and the elderly. I believe that we had lost contact. That is our first task: regaining contact with young people." This was the statement of Mr Pierre Marois, 40 years old and Quebec minister of state for social development--one of the four ministers of state directly assisting Mr Levesque. No bitterness on the part of this minister, who is considered the enfant terrible of the Parti Quebecois (PQ), radically "anti-Ottawa" and one of the rare "leftists" of the Social Democratic majority since 1976. Mr Marois reported in plain language: "We have to recharge our batteries."

Yet in power for nearly 5 years, he and his friends have continually fought to force employers as well as the political, indeed trade union, apparatus to accept measures for the protection of workers, retired persons, the handicapped, female wage earners and young married couples, beginning with a concept which is even newer in the New World than in Europe: a guaranteed minimum income. This former attorney, a representative from Laporte, is also striving to precisely define the limits of the Quebec program in the constitutional context with regard to federal authorities and to obtain for Quebec the repatriation of the province's financial resources. It is perhaps forgivable to think that certain aspects of this program, considered "revolutionary" in the federal context, free hospitalization and medical care, an antistrike-breaking law and draconian legislation concerning job security, among other aspects, have been considered by many people--including the plan to nationalize the asbestos and other Quebec industries still in the hands of multinational corporations under American domination--to be a repudiation of the conservative part of the "Pequiste" policy.

Impact on Employment

At the instigation of Mr Pierre Marois, the government which succeeded Mr Bourassa's liberal administration launched the Economic Solidarity Operation

(OSE) 2 years ago, which granted "absolute priority to the fight against unemployment and to the creation of jobs."

This is more or less the equivalent of our national agreement concerning employment, a strategy aimed at making unemployment compensation expenditures more "productive." Some 250 million Canadian dollars have been injected to stimulate the economy, or half of the huge deficit (500 million dollars) left by the Bourassa government, and about 30 million dollars have been used since 1979 for employment assistance and job integration programs.

One of these programs, known by the acronym PIJE (Young Peoples Job Integration Program), concerns unemployed young people between 18 and 29 years old, or between 18 and 24 years old in the case of industrial trainee programs. Twenty million dollars were allocated to this program for an initial set (1979-80) of measures aimed at simultaneously meeting the needs of young people and those of industry.

In May 1977, a study entitled "Young Quebecois and Labor," compiled by the Quebec Office of Planning and Development and which was the starting point for these more or less new ideas in the Saint Lawrence Bay area, already suggested "demystifying unemployment" and "desanctifying employment" by modifying the position of paid labor in the hierarchy of values. "In this sense," the report's authors stated, "unemployment should no longer be considered a disaster, but a demonstration of the existence of a surplus labor force. The person out of work should be considered a special citizen and should be urged to perform socially useful activities."

This type of reasoning was to lead the PQ's technocrats to surpass the goals set in 1971 by the federal government's Local Initiatives Program (PIL), predecessor of the "Canada At Work" Program, which remains the main part of the pan-Canadian 5-year employment plan, following a partial failure of the PIL in most provinces. On the threshold of the world crisis in 1974, the Office of Planning and Development wanted "a different distribution of labor which would favor, among other things, the creation of permanent part-time jobs" through the reduction of working hours, lowering the retirement age and increasing vacation periods. Then in November 1979, Mr Levesque's administration adopted five measures which became "operational" last spring.

The first measure concerns the improvement of work areas in businesses: government participation may amount to 80 percent of paid wages, during one year, up to 150,000 Canadian dollars. The second measure is aimed at encouraging the hiring of young people between 19 and 29 years old through a technical and financial subsidy to businesses for the creation of full-time jobs as the result of a voluntary reduction of hours of attendance by certain wage earners who wish to work only 2 or 3 days a week. This would always be with the approval of personnel representatives. Third measure: industrial trainee programs paid at the minimum wage rate (4 dollars per hour) for young people between 19 and 24 years old who have successfully completed their vocational studies for at least 6 months. A fourth project is aimed at creating permanent jobs in small businesses through investment cost subsidies.

There is a final measure aimed at encouraging the hiring of "cultural workers" between 18 and 29 years old who have registered as job seekers: the OSE-Arts project for production of cultural goods and services. Under certain conditions, the subsidy may amount to 75 percent of paid wages for 52 weeks, at the rate of 12,000 dollars per full-time job created.

"Almost A Sin"

It is difficult to assess the results of an operation which is still experimental. Apparently it has not caused a great deal of enthusiasm, since less than 10,000 jobs have been created to date under the entire program. The Confederation of National Trade Unions (CSN), in particular, has almost concluded, like certain committees of unemployed persons located in Sainte Catherine Street in Montreal, that these are false remedies: there is neither the creation of stable jobs, for the law does not require the hiring of persons on contracts of indefinite duration, nor the creation of new jobs, since company managers will hire a young person rather than an elderly worker in order to benefit from the advantages of the agreement.

Employers, moreover, have not shown inordinate interest in phases 1 and 2 of the PIJE, precisely because of the required trade union involvements in the case of improvement of work areas or voluntary reduction of working hours. On the other hand, they would appear to be very "cooperative" in the case of the program's other aspects, especially with regard to industrial trainee programs providing them with skilled labor for which they would not spend a penny.

As for trainees and "cultural workers," we met some in a small factory in Saint-Mathieu-de-Beloeil, between Quebec and Montreal: Catherine Savaria, a stained-glass artist from Trois-Rivieres, said that she was satisfied to have found, not too far from her home, a job which raises her self-esteem. "Being unemployed in Quebec," she confided to us, "is almost a sin ... And then, the boss here is nice." The latter is glad to have created an industrial arts department in which this girl assembles scraps of glass on a lead frame to make them into windows. In this instance as well, the experiment does not have hardly any effect on the factory's operation or on employment in the region ... But according to the Quebec government, 40 percent of the young people hired temporarily subsequently remain in the companies.

"Change the System"

The OSE program differs from our employment agreement by measures in favor of those receiving social assistance. Subsidies are granted to very diverse organizations--nonprofit organizations, communities and municipalities--for the purpose of creating temporary jobs which are "likely," we are assured, "to become permanent."

Even before the end of the year, the credits of the PIJE program, of a student placement service and of the PAT [expansion unknown] program were depleted. "We will thus exceed the budget," Mr Marois said philosophically.

"Aren't budgets made for that?" Fortunate Quebec, where the ministers have a sense of humor and candor! But the causes of unemployment remain, linked to the economy and the social system: "It is precisely this system," Mr Marois added, "that must be changed. It is at that price that we will have a free Quebec."

This is somewhat the same view which the Quebec Federation of Teachers defended at the time of the referendum: "The question of Quebec's public future cannot be posed without posing the question of the country's economic future." The fight against unemployment--and against the social system--is thus part of an overall strategy against Ottawa.

The defeat of the Parti Quebecois in the referendum no doubt caused a huge disappointment among advocates of independence, equivalent to two centuries of turmoil and anxiety and 20 years of alternately timid and daring hopes. But the desire for change has not been shaken.

11915
CSO: 3100

'BERLINGSKE TIDENDE' EDITOR REFUSES SECURITY COUNCIL SEAT

Copenhagen BERLINGSKE TIDENDE in Danish 9 Nov 80 p 11

[Article by Niels Norlund]

[Text] Dear minister of defense:

I have received your letter concerning the government's decision to set up a Security and Disarmament Policy Council and I thank you for inviting me to serve on this council for a period of 3 years.

I have considered this friendly invitation very carefully. "Following international developments in order to evaluate Denmark's security policy situation," the work of the council, has been my job at BERLINGSKE TIDENDE for a generation and at first glance it seems my duty as a citizen to join in when the government thinks I can contribute something to Denmark's security policy. But I have some fundamental reservations I would like to set down.

My reservations are based on the character and tasks of the council. The council is being set up by the government and its members are being appointed by the government but--you write--"its activities are not subordinate to the government or its agencies." Presumably the Security and Disarmament Policy Council is being modeled along the lines of the Economic Council but with certain variations which appear to be essential.

The Economic Council is presided over by three independent national economic experts from the universities--the three "economic wisemen." The council is also presided over by three independent experts from the universities headed by Erling Bjol but this group also includes three officials from the prime minister's office and the defense and [illegible] ministries and the chairman of the presiding group is one of the highest-ranking officials in the Foreign Ministry.

The Economic Council has only two officials among its 24 members. This council, with 36 members in all, will have another six bureaucrats in its regular membership, again all prominent people, and six scholars who are perhaps not all as excellent as they are polemical in their expertise. But in all there are thus nine ministerial experts and nine academic experts on this council set up and appointed by the government but independent of it. In addition, in a break with

the Economic Council pattern there is one representative for each of the political parties in Folketing plus, something completely different, six journalists from the Copenhagen press corps and two from Danish State Radio.

In addition to following ongoing developments the council is supposed to inspire detente and disarmament proposals the government can present in international negotiations and "take up issues and conduct analyses at the request of the government," according to the mandate. Finally, this council which if I may say so is quite close to the government will "assist in information activities concerning security and disarmament policy issues in order to provide a strong base for the formation of opinions and public debate."

The government can appoint anyone it wants to to handle its information activities. But it should not enroll press people to do this in the guise of being an expert civic delegate. I do not favor either state support for the press or press support for the state. Each has its separate role to play in our society that is governed by the people, the government and the press and as far as the press is concerned this independence is part of the justification for its existence. It seems to me there would be a dangerous interconnection of things which should be separate as a result of the duties of the members of the Security Council, including the journalistic members, partly due to the government's conditions and partly due to the influence and cooperation of the government's permanent advisers.

It is flattering to be invited into an antechamber to the government's decision-making process but it could be compromising for a journalist. If work on the council is to have any meaning at all its members must to a certain extent have access to confidential papers and information which the journalists on the council will be prevented from passing on even if in their qualified view and with a clear conscience they feel such information should be passed on for use in the public debate as quickly as possible. And with their share of responsibility for and participation in the work of the council the journalists will also be cut off from making the free evaluation of the results which is their real job in their chosen profession.

I will be glad to advise the government on conditions for Denmark's security policy but I prefer to do so in the columns of a newspaper on the basis of facts that are generally available. Therefore I cannot accept your invitation to join the council.

In view of the fact that the foreign minister told the public about my membership on the Security and Disarmament Policy Council before I was asked to serve I intend to make my reply public, although not before it has had time to reach the minister's desk.

Sincerely yours, Niels Norlund

6578
CSO: 8113/0361

FOLKETING PASSES BUDGET WITH LARGE DEFICIT

Helsinki HUFVUDSTADSBLADET in Swedish 19 Dec 80 p 7

[Report by Sigyn Alenius, HUFVUDSTADSBLADET's Copenhagen correspondent]

> [Excerpts] An economically gloomy year is reflected in the Danish state budget which, reduced to what was politically possible, was voted through the Folketing at Christiansborg Thursday. The budget, with expenditures of 139 billion kroner, comes into force 1 January [1981]. The deficit will be 21 billion kroner.

According to the estimates, unemployment alone will swallow up between 15 and 16 billion kroner during the coming year as support to 200,000 persons estimated to be unemployed on the average during 1981. The much-debated defense expenditures for the coming year were set at the current 7.5 billion kroner. Prime Minister Jørgensen got this "zero solution" through in exchange for a promise to the bourgeois opposition, which opposes the zero solution, that the long-term defense expenditures will be taken up for reconsideration after the first of the year. The bourgeois parties support the NATO request for a 3 percent increase in the defense budget.

Denmark's refusal to raise the defense budget has occasioned sharp criticism of the Jørgensen government both from Washington and from NATO headquarters in Brussels. Harold Brown, secretary of defense in the Carter administration, has taken up the country's poor defense effort in two letters to his Danish colleague Poul Søgaard.

Anker Jørgensen's biggest trouble with the budget has been the great expenditures for unemployment. During the crucial debate on the state's expenditures in this field Jørgensen presented a proposal to use long-term unemployed persons (those who have been unemployed for a year and a half) as a state-subsidized labor force for various projects. Support of the unemployed averages 80,000 kroner a year. This money, Jørgensen says, could be used better if work were done for it.

Opposition

The proposal encountered strong opposition. Within the government, for example, Svend Auken, minister of labor, pointed out the administrative problems that would arise if a considerable number of unemployed persons were hired under different conditions. Employers also pointed out the distorting effect on competition of

some plants' being run with labor that is partly paid by the state while others would have to finance the cost of labor themselves.

Prime Minister Jørgensen's main arguments are that it is unhealthy to go without a job for a long time and that the state's funds for support of the unemployed could be used to more effect.

8815
CSO: 3109

PROBLEMS ARISE IN FINANCING TORNADO AIRCRAFT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 6 Dec 80 p 3

[Article: "How Will the Gaps in the Defense Budget Be Covered? Too Few Funds Planned for Tornado Financing"]

[Text] Bonn, 5 Dec — The federal government will hold to its goal of increasing defense spending by a real figure of 0.8 percent and not 3 percent as it promised NATO. Individual Plan 14, the defense ministry budget, is, in fact, to increase by a real figure of only 0.1 percent. This comes from the publication of the defense policy portion of the draft budget which the cabinet is to decide on week after next. The precise figures for Federal Republic expenditures next year were published by the Political and Parliamentary Press Service (PPD) which is sympathetic to the SPD. According to experts, [the figures] are correct "to three decimal places."

According to this, the following will occur. The defense ministry budget for 1981 is to add DM 900 million to this year's DM 38.85 billion to total DM 39.75 billion. An additional DM 700 million for personnel increases will be added during next year and result in a total budget of DM 40.45 billion by the end of 1981. This translates to a nominal increase rate of 4.1 percent. If the authentic figures published by PPD are based on an inflation rate of 4 percent, the defense budget increase will only be 0.1 percent.

The most important single item of Federal Republic defense spending is the defense ministry budget but defense expenditures are supplemented by expenditure items in eight other federal budget individual plans. If total defense expenditures are considered, the result is a nominal increase of 4.8 percent, translating to a real increase of 0.8 percent for next year. Using NATO criteria, Federal Republic defense expenditures in 1980 were DM 48.531 billion. They are to be DM 50.854 billion in 1981.

The size of the defense budget will not permit the defense minister to proceed as planned in equipping the Bundeswehr [federal armed forces] with the new weapon generations being delivered. Considerable cuts and delays ("stretches") are rather necessary. Here the new Tornado aircraft, with which the air force and navy are to be equipped, plays an important role. After strikes in England and technical delays in 1978 so delayed building of the aircraft that DM 350 million in the budget for this project could not be spent, now the defense minister is

short DM 533 million in his budget to pay binding obligations (bills). The reason for this is that the Tornado bill of DM 1.2 billion in 1980 was set lower than proved necessary at the end of the year. It is now also certain that the 1981 budget with DM 1.75 billion has again been set too low to pay the bills coming in next year. They will be about DM 800 million more than the available funds. Thus the deficit for Tornado this and next year will total DM 1.335 billion.

For weeks the central topic at the defense ministry has been how to pay these obligations. According to reliable sources, the intent is to accept intermediate financing via bank loans to pay the shortfall of DM 533 million for the Tornado this year. Negotiations about this are said to have already begun. This credit, the costs of which the federal government has to bear, will have to be used until the 1981 defense budget has passed parliament and can be used to pay the loan.

Defense Minister Apel will also meet this week with his Italian and British colleagues. His goal is to persuade both participating countries (the Federal Republic is to receive 320 Tornados, Italy 100 and Great Britain 380) to slow down production of the aircraft. At present nine aircraft of this type are being produced each month by the Panavia group of the manufacturers Aer Italia, British Aerospace and Messerschmitt-Boelkow-Blom. Apel hopes to reduce defense ministry costs in 1981 by DM 200 to 300 million by slowing down production.

Bonn Would Bear Extra Costs

On the other hand, the slow down will make each aircraft produced more expensive because the boundary of economic efficiency will be undercut. The resulting extra costs per aircraft will have to be paid by Bonn — probably not only for the German but for the aircraft of the partners as well. In addition to this saving of DM 300 million which Apel hopes to gain from a reduction in the production rate, there is the contribution of DM 350 million which has been "squeezed out" of other defense budget items in favor of the Tornado during internal discussions in the defense ministry in recent weeks.

This partial contribution of DM 650 million would go to cover the presently failing DM 1.3 billion. There is, as yet, no possibility of covering the remainder due this and next year. The hope in authoritative circles is that a supplementary budget, containing, among other things, the rest of the money for Tornado, will be passed in the second half of next year. If no such supplement results, there will be no choice but to — as in this year — to operate with interim financing at the end of 1981 and again take out loans.

According to a responsible source, if this interim financing is continued, only in the 1984 defense budget would there be sufficient funds to pay all Tornado bills without accepting gaps in the next budget year. There is, on the one hand, the frank admission that it would be possible to pay all bills next year if the budget were increased by a real 3 percent. This leads to the reverse conclusion that the Federal Republic now does not firmly intend to meet the 3 percent promise in the years until 1984.

But not just the navy and air force will be the victims of this emerging financial and security policy of the Federal Republic. Their being equipped with the new aircraft will be delayed by a year and a half as a result of the production stretch after technical difficulties have already resulted in delivery of the first Tornado aircraft being delayed from mid-1978 to 1980. The DM 350 million saving will have an impact in other areas, particularly in research funds which have to be cut by about DM 150 million. Also, urgently needed armaments projects cannot even be started. Thus the air force and navy must do without the Roland air defense missile system for the time being. The air force needs 175 systems and the navy 20 to defend their bases. These are now open to attack by enemy aircraft which can penetrate the general tank and Hawk missile defense belt which stretches from north to south across the Federal Republic.

VÄYRYNEN HINTS CENTER PARTY WOULD KEEP KEKKONEN IN 1984

Helsinki HUFVUDSTADSBLADET in Swedish 9 Dec 80 p 7

[Interview with Paavo Väyrynen by Erik Appel]

[Text] The Center Party will support Urho Kekkonen as long as he is available. Dr Kekkonen's capacity should be utilized as long as it is at our disposal, if we care for the best interests of the country.

That is how Paavo Väyrynen, chairman of the Center Party, characterizes his and the party's position on the presidential question, a question that he, by the way, considers to be raised prematurely.

Here HUFVUDSTADSBLADET resumes the series of interviews with some of our party chairmen which was interrupted by the strike. This interview with Paavo Väyrynen was done before the strike, and may for that reason have lost its timeliness on some points.

Earlier interviews were published in HUFVUDSTADSBLADET for 18 October (Aarne Saarinen) and 30 October (Ilkka Suominen).

He also emphasizes that people both here in Finland and abroad got the wrong impression from the poll figures and Mauno Koivisto's popularity.

"The president is not chosen by direct popular election or on the basis of the figures in the polls, but by electors chosen for the purpose.

"The presidential election is not a Gallup poll," he says.

Paavo Väyrynen also believes the quiet flirting between Kalevi Sorsa, chairman of the Social Democratic Party, and Ilkka Suominen, chairman of the Conservative Party, is mostly tactics. Especially on Sorsa's part.

An advance on the right weakens the center, and that serves the Social Democrats' interests, he says.

He accounts for the Conservative Party's offside position in relation to participation in a government by the fact that the Left will not collaborate with the Right. He thus does not resort to any foreign policy argument.

Center Wind, Not Right Wind

[Question] Did the wind from the right blow into the municipal elections, as Conservative Party chairman Ilkka Suominen gave us to understand in a HUFVUDSTADSBLADET interview?

[Answer] No, one can hardly say that. If we are talk about any wind, it blew in toward the center. The Social Democrats took votes away from the Popular Democrats, the Conservative Party gathered in votes from the small parties on the Right. The Center Party and the whole central part of the spectrum gained.

[Question] But still, the Conservative Party did gain greatly in the municipal elections. The advance seems to be continuing. Does that look like a threat, in the eyes of the chairman of the Center Party?

[Answer] We have had a number of difficulties to face.

When the situation is that because of the minority provisions we have to have as broad-based a government as possible, and when the Left refuses to participate in the same government with the Conservative Party, the present government base is the only one possible.

This puts the Conservative Party in a favorable position for launching an attack on the Center Party out in the field.

The Center Party, it is said in Conservative quarters, has veered so far to the left that it will no longer collaborate with us; that is a lie. But often, unfortunately, such simple arguments strike home.

Conservative Party Has Reached Maximum

A certain uneasiness prevailed within the party about what the Conservative Party would be able to gain by that line of argument, but the municipal elections calmed such feelings.

The Conservative Party did not gain as much as had been expected, and the Center Party did better than expected.

I believe the Conservative Party has just about reached its maximum now, and there is no room for so very much more expansion.

The range of opinion is also very great within the Conservative Party. It is a greatly divided party, and it may happen that a part splits off and disappears from the party. The Conservative Party is in the same situation as the Social Democrats were after their big victory.

[Question] Is the Center Party attempting to split the Conservative Party, with the help, e.g., of certain center-oriented forces within that party?

[Answer] No, we do not wish either to split or to damage the Conservative Party.

But what we would like is a clearer party map. The Conservative Party should openly and honestly offer the voters a rightist alternative. The citizens should be able to choose among four clear clear main alternatives: two socialist leftist groups, the center, and the right.

Now the [conservative] party, for opportunistic reasons, presents a very uncertain image of itself.

In other words, it is fishing in other parties' waters.

Polarization Not Good

[Question] The Social Democrats also did well in the election.

[Answer] The Conservative Party and the Social Democrats are working toward a polarization on those two parties.

That would not be a good development. As the situation is today, the Center is the only real opposition to the left (since the Conservative Party can neither be recognized as a government partner of the left nor govern by itself).

I can understand that a number of Social Democrats are irritated by the fact that the Center Party is alive and well.

I believe much of the mutual courtship between the Social Democratic chairman Kalevi Sorsa and the Conservative Party chairman Ilkka Suominen, especially on the part of the former, is tactics.

It is in the Social Democratic Party's interest to weaken the center. The stronger the Conservative Party and the weaker the center, the greater power for the Social Democrats. Weakening the center would also lead to increased instability in our political situation.

A gain of the Conservative Party at the expense of the center would be unfavorable for the country as a whole, as well as for all non-socialist people.

The Conservative Party's and the Social Democrats' working toward cooperation is understandable against the background that in many respects those two parties are close to each other, as was evident, e.g., from the position on religious education, the demolition law, etc.

It is also worth noting that the Conservative Party's and the Social Democrats' voters consist of persons in better economic positions, while both the Center Party's and the Popular Democrats' voters clearly have lower incomes. Here again there are thus points of contact.

Social Democratic Question Mark

(Väyrynen warns Sorsa and Suominen against worsening the chances of cooperating with parties of the center.)

If the Social Democrats and the Conservative Party continue to praise each other and speak disparagingly and unfairly critically of us, the basis for cooperation will inevitably deteriorate.

But the collaboration in the government has continued normally. It did not, e.g., suffer from the Center Party's change of chairmen.

[Question] How does the future of the government look? How long will it hold together?

[Answer] For the moment no danger threatens. It is obvious that the Popular Democrats may in time find themselves compelled to follow a harder line, against the background of their election losses.

But at least for the moment it appears that they are seriously trying to stay in the government. But in any case there is a question mark there.

Another question mark is the Social Democrats and certain strains within their party. Every now and then a desire has been evinced there--sometimes a strong desire--to pull out of the government.

"The Real Right"

On the other side there is no majority alternative, since the situation remains unchanged in that the left still refuses to collaborate with the right.

("The real right" is the expression Paavo Väyrynen uses, without further defining it. He also says that "the real right" constitutes the core of the Conservative Party, but without being willing to say whether or not it constitutes a majority within the party.)

I do not believe that the left will ever in the future enter into a government coalition with that real right. The leaders of the two leftist parties have only said that there are forces within the Conservative Party with which they are willing to cooperate in a government.

With the Conservatives, but Not Without the Left

[Question] Does this mean that the Center Party is, so to speak, sitting on the Conservative Party's chance of participating in the government?

[Answer] No, that is wrong. We wanted to have the Conservative Party included in the government, but as the left refuses, and as the government must, after all, reflect the relative strength of socialists and nonsocialists, the result can only be that the Center Party gets more ministers than its relative strength would account for.

We are willing to collaborate with the Conservative Party in a broad-based government.

That means that at least the Social Democrats would be included.

On the basis of our minority provisions the government should preferably have such a broad base in the Riksdag that it has a two-thirds majority behind it. The left-center government can easily reach that majority.

But we are ready to extend that broad base toward the right.

[Question] The broad majority government is thus one alternative. Another but much poorer alternative is a minority government.

[Answer] A minority government formed by the center groups or by the Social Democrats would get support for its bills both from the left and from the right by negotiations.

On the other hand, a government founded only on the center and right or on both of the leftist parties has a much harder time, because the other half of the Riksdag would be in sharp opposition.

A government on a broad base [illegible] thus the most fortunate solution.

"In the Country's Interest"

Paavo Väyrynen says that on the presidential question the Center Party has been lying low, is lying low, and will continue to lie low for some time to come.

The question has been raised too early, he says, and "bars the door" when he gets the question whether Ahti Karjalainen--as Virolainen indicates in his book--is the Center Party's "successor candidate" or whether perhaps he himself is inclined to "grow up" to present himself, after a presumed extension of Urho Kekkonen's tenure, as a possible "heir."

Nor will he take a position on whether any extension of Kekkonen's tenure will be effected through a special law or not.

But whence and why does the idea of an extension of the tenure of the president now in office arise? Is it because the bourgeois parties cannot find a strong enough candidate to put up against Mauno Koivisto?

Paavo Väyrynen is not much more outspoken on that question, either.

Presidential Election No Gallup Poll

But he says that there is reason to make use of Kekkonen's capacity as long as he is available. That is in the country's interest, he says.

"We support Urho Kekkonen as long as he is available."

[Question] Are you not afraid of having the wind taken out of your sails by other parties, especially the Social Democrats?

[Answer] No. We take that calmly, for we know that the presidential election is quite a different thing from a Gallup poll.

The matter of the figures in the polls has been taken wrongly by many people both in Finland and abroad. They did not take our electoral system into account.

The president is not elected by direct popular election--or by Gallup polls--but by electors chosen for the purpose.

And the presidential question is not at all current yet.

8815
CSO: 3109

PCF POLITBURO COMMENTS ON PARTIAL ELECTIONS RESULTS

Paris L'HUMANITE in French 27 Nov 80 p 3

[Official communique of Politburo]

[Text] After partial election: conditions exist for PCF progress--The Politburo declares: All will depend on the strength, vitality, political work by the militants of each cell, the elected communists.

The French Communist Party Politburo yesterday issued the following communique:

"The Politburo has analyzed the results obtained by the Communist Party in the seven legislative elections which have just taken place.

These elections have shown a slight decline in the number of communist candidates, but this result, although worldwide, contains important inequalities.

The communist candidates have progressed in the two districts of Dordogne and Aveyron.

And, above all, the Communist Party has chalked up generally good results in working class areas: +5.7 percent in the Decazeville base, +6 percent in certain areas of Bordeaux, +4 percent in certain quarters of Annonay. Similar increases were made in Bergerac and its surrounding area, as well as in Amberieu.

Progress was also made in farm and rural areas: from 6 to 23 percent in certain Dordogne villages, even higher percentages in some Cantal villages.

These results indicate approval--on the rise in many cases--of the policy and of the combative and offensive activities of the Party against the policy of auterity, expensive living, unemployment and national abandon of Giscardian power, against European relinquishment, of intransigent defense for workers' demands, social justice, clarification of union conditions and changes, and the progress of the battle in favor of these objectives. The sensitivity and devotion, combativeness, clarity in areas of class struggle, capacity to unite the forces of change in the struggle, and the refusal to use political tricks are beginning to show their effects.

But the Politburo maintains that one does not yet find this movement all over because many workers do not appreciate communist policies for reasons of Party organizations' insufficient activities, both quantitative and qualitative, in the sectors in question.

Taking into consideration the fact that we are talking about partial elections which took place in districts where the influence of the right or of the Socialist Party is traditionally strong, and of the influence of mass media, this insufficiency has made the perception of the stakes difficult for certain communist voters, who abstained. This explains the slight global decline of the Party. The Socialist Party does not reap any benefits either since it has also declined overall.

From this analysis, the Politburo has reached two conclusions:

1. Conditions exist for the Party to progress based on its orientation as defined by the 23rd Congress, by its recent National Conference; on orientation that the communist candidate for the presidential elections, Georges Marchais, expresses with clarity and conviction.

The Politburo congratulates the communists who have become examples in these elections, having surmounted a difficult class struggle.

2. This progress, under these conditions, is connected to the force, to the life, and to the political work of each cell, to the ability of the militants and of elected communists to express the novel policies of the Party in such a way as to express current demands.

The Politburo calls the importance of these conclusions to the attention of the directors of the Party at all levels, and asks them to implement the inferences in their work without delay.

Nothing should be neglected so that the French Communist Party can, in the impending period, put the growing force and influence that they must and can conquer at the service of the workers and of the country."

9572
CSO: 3100

NEW TERRORIST GROUP SETS FIRES IN BATTLE AGAINST COMPUTERS

Paris LE FIGARO in French 3 Dec 80 p 11

[Article by Jean-Charles Reix: "The CLODO Claims Responsibility for the UAP Fire"]

> [Text] Two large fires were contained with difficulty yesterday afternoon in Paris. They caused heavy property damage but no victims. Responsibility for one of them was claimed in the course of the evening by the CLODO (Committee for Liquidating or Misusing Computers), a terrorist organization which already has quite a few attacks to its credit in Toulouse. It involves the fire which devastated a portion of the offices of the UAP [Paris Insurance Union], Rue Taitbout (9e). It is not yet possible to determine from the investigation in progress whether this disaster is actually of criminal origin.

Traffic cut off on the grand boulevards, colossal bottlenecks in the downtown streets, and evacuation of a school, a movie theater and some office buildings: Paris experienced a serious fire alarm yesterday afternoon. Within the space of a few minutes, as a matter of fact, two fires broke out close to each other.

While it was possible to bring the first of these disasters, which had broken out in a private school--the Carpentier School, 15 Boulevard Poissonniere (2e arrondissement)--under control very quickly without any injury to the 200 pupils, the second one posed enormous problems for the firemen.

It took them an hour and a half to control the fire, which destroyed the top floor and the roof of a building belonging to the UAP, located at the corner of Rue Taitbout and the Boulevard des Italiens (9e arrondissement). The 600 employees had been evacuated at the outset.

While the general thinking was that the fire had started in some boilers in the second basement and spread up the stairways and through the ventilation shafts, a mysterious phone call came in support of the argument for an arson fire. An anonymous correspondent wrote to various newspapers claiming responsibility on behalf of the CLODO for what would then be an attack.

The CLODO is a movement which has made itself known through a series of attacks, carried out mainly in Toulouse, all of which were aimed at data-processing installations. In his communique, the alleged spokesman for the CLODO claims responsibility for /"the destruction of the multinational UAP because it uses IBM and CII [International Data-Processing Company] Honeywell Bull machines."/ [in italics]

The insurance company indicated, however, that while it had offices in the damaged building, it had no large equipment there for data processing.

Up to now, the CLODO clandestines were aiming directly at the computers (terminals, machines, data banks, etc.), burning them or destroying them with plastic explosives. This movement was heard from for the first time in over a year, in Toulouse.

"Action Directe"

So, last 1[illegible]ptember, a data-processing service company in Toulouse, Cap-Sogetti, was burned. On one of the walls this signature was found: /"CLODO persists and leaves its trademark. Merry SICOB [Exposition of Office and Business Supply Industries and Office Organization]."/ [in italics] This was the fourth attack carried out in Toulouse for the year 1980 alone. On 6 April CLODO struck "Philips-Informatique," on 9 April "CII-Honeywell-Bull," on 20 May "International Computers Limited."

In Louveciennes, in August, the CLODO carried out its first incursion into the Paris area by again attacking the CII. A 5-kilo bomb, fortunately discovered and defused in time, had been placed against the outside wall.

The investigators are convinced that they are dealing with genuine /"data-processing terrorists."/ [in italics] Sabotaging computers, they say, is an extremely damaging action for the company undergoing it, but also for a society that has banked on data processing for its growth.

Toulouse is the "headquarters" for numerous small, ideologically revolutionary groupings, some of which attach fantastic acronyms to themselves (the CLODO, but also, for example, the PARA [For Resolute Action Against the Army]). There were momentary speculations in Toulouse as to whether these movements were "offshoots" of "Action Directe." Most of the CLODO misdeeds had, as a matter of fact, been claimed jointly by "Action Directe," that famous terrorist group which was broken up a few weeks ago. The founder of "Action Directe," Jean-Marc Rouillan, who was arrested in Paris in September, had been a militant in Toulouse in various organizations of the Student Left and had kept some support there.

9719
CSO: 3100

MINISTRY OF INDUSTRY'S BUDGET FOR 1981 ADOPTED

Paris ELECTRONIQUE ACTUALITES in French 21 Nov 80 p 4

[Text] The Ministry of Industry's budget, passed last week by the National Assembly, totals 5,931,605 million francs (MF) in program authorizations (up 16.75 percent) and 13,573,820 MF in payment credits (up 13.19 percent), including 4,810,847 MF and 7,664,752 MF respectively for the civilian research budget.

Within this docket, ordinary expenditures amount to 8,481,105 MF in payment credits (including 3,338,525 MF for the civilian research budget), or an increase of 849,66 MF (up 11.13 percent). Equipment expenditures were allotted 5,931,605 MF in program authorizations (including 4,810,847 MF for the civilian research budget), and 5,092,715 MF in payment credits (including 4,326,227 MF for the civilian research budget), an increase of 16.75 percent for program authorizations and 16.78 percent for payment credits.

In the field of energy, allocations to assure the development of alternative energy increased 17 percent. Solar energy allocations rose nearly 60 percent (to 199,3 MF) and the geothermal allocations rose from 44 to 60,2 MF (up 40 percent). Subsidies earmarked for the Atomic Energy Commissariat increased 13 percent and credits set aside for energy conservation rose over 25 percent to 661,8 MF.

Allocations opened for the raw materials policy increase considerably, totalling 590 MF, an increase of 65 percent, principally because of the upgrading of the strategic stockpiling program, for which an allocation was opened for the first time (169 MF).

The intervention credits for the industrialization of new products and the adaptation of industrial structures were extended at the same level as in 1980. Allocations opened to assure computerization of society increased nearly 30 percent.

Allocations for the Centre National d'Etudes Spatiales (CNES) were raised to 1,677,6 MF, up 22.5 percent, and those of the Centre National d'Exploitation des Oceans (CNEXO) increased 27 percent, to 304 MF.

Lastly, the means intended for financing the policy of innovation totalled 542,3 MF, up 15 percent, and those for actions of standardization and the quality of products amounted to 97 MF (up 11.5 percent).

9330
CSO: 3100

AEROSPATIALE 1979 SALES, PROFIT FIGURES

Paris ELECTRONIQUE ACTUALITES in French 14 Nov 80 p 20

[Text] The Aerospatiale financial year ended with a turnover of 11,376 million francs (MF), an increase of 20 percent in relation to the 9,519 MF recorded in '78. The group turned a profit of 35 MF, including 8,9 MF for the company.

From one year to the next, sales increased 62 percent for airplanes, 14 percent for stationary equipment, 43 percent for ballistic systems and remained stable for helicopters. Direct export sales, including Airbus, totalled 50.4 percent of overall sales. The percentage in volume of export sales totalled 69.3 percent, not including products exportable by nature (ballistic and tactical nuclear missiles) and AMD-BA deliveries.

Total orders were 16.3 billion francs (BF) and went 45 percent to the airplane division, 20.5 percent to the helicopter division, the remaining 20.5 percent and 14 percent going to tactical and ballistic missiles respectively.

The Aerospatiale order book amounted, at the end of 1979, to nearly 25 BF as compared with 18,6 BF in 1978. In respect to the French and foreign affiliates of the company, their overall turnover was 1.2 BF and their profit 25.6 MF.

9330
CSO: 3100

PAPER FINDS STALIN'S SPIRIT AT PEOPLE'S ALLIANCE CONGRESS

Reykjavik MORGUNBLADID in Icelandic 25 Nov 80 p 20

[Editorial: "Stalin's Spirit Rules the People's Alliance"]

[Text] The heir to the Icelandic Communist Party was the People's Unification Party--the socialist party. At the same time the name was changed in 1938, people left the Social Democratic Party to cooperate with the Communists; and the Social Democrat, Hedinn Valdimarsson, was elected chairman of the new party. After Stalin, the idol of the Communists at THJODVILJINN, fell off his pedestal and was repudiated as a mass murderer in Moscow, the Communists here in this country were faced with quite a problem. They had two alternatives: accept isolation in a group of the orthodox or practice vote fishing under a false flag. In 1956 they chose the latter by forming an electoral alliance of the socialist party and the Debating Society of Social Democrats under the name the People's Alliance. Hannibal Valdimarsson, who split from the Social Democratic Party, became the chairman of the alliance. This arrangement remained until 1968, when the People's Alliance Party was formally made into a political party. Ragnar Arnalds, who began his political career in the organization Peace Proclaimed Country was elected the chairman of the People's Alliance. He held that office until 1977, when Ludvik Josepsson, an old and experienced colleague from the Icelandic Communist Party, was elected chairman. Josepsson had had some disagreement with some self-serving people from his old party the Communist Party, in Reykjavik, within the People's Alliance, and was therefore considered a proper representative of the People's Alliance and to the outside world.

At the Congress of the People's Alliance this weekend, Svavar Gestsson was elected chairman of the party. He was hired by THJODVILJINN as a representative of the orthodox communist group in Reykjavik at the time. Gestsson is among those who have been sent to East Germany, at the instigation of Einar Olgeirsson, in order to study ideological premises of communism and its execution to the dictatorship of the proletariat. The deputy chairman is Kjartan Olafsson, editor of Thjodviljinn, who at one time was the managing director of the Reykjavik Socialist Society, the fortress of the communist orthodoxy within the People's Alliance. The communists, who feared the fate of the "proper policy" at the founding of the People's Alliance, such as Brynjolfur Bjarnason, are now able to greet the party leadership back from the "democratic" hike. In 1958 Bjarnason said regarding the cooperation within the People's Alliance: "Unity in form is not enough, if the directions to select the right way are missing." Now the

direction for the People's Alliance is in the hands of the men who never doubted that the "right way" is the world communism and the keepers of this communism are in Moscow.

This is a turning point in the country's politics that must be evaluated in connection with the international development of world communism. The fact must not be overlooked, that the communists here in this country, who always speak the loudest about their opponents' "treason," are in fact members of international organizations that define the concept "national freedom" such, that it is only obtained when the discipline of the Soviet imperialists rules. Communists here in this country have bragged about being the pioneers of the "European communism" by the founding of the People's Alliance. The "European communism" was in fact nothing but an attempt by the Communists to conceal their right character. This endeavor is now completely worn out, as may best be seen by the fact that Georges Marchais, leader of the French Communists, has again started to plead loyalty to the Kremlin. He saw, that the flirting with the voters, among others in an electoral alliance with the socialists, dug the foundation away from the orthodoxy within his party. People had begun to wonder about the necessity of serving one rule and one will; but that form of rule was the premise for normal work to be done within communist parties according to Lenin's view.

The orthodox people within the People's Alliance have not only been afraid that cooperation with others during election would be dangerous for them, but also the participation of their party in government. The People's Alliance has had representatives in three cabinets, since 1971; and until now their chairman has always been a non-cabinet member. This shows the communists' opinion of Gestsson's loyalty to the "right way", that he is made a chairman while still holding a minister's office. But at the same time, his election is an indication to the skeptics within the People's Alliance that the power nucleus within the party wants to keep the cabinet power at any cost. Gestsson is, therefore, the right man at the right place for the communists, when people dare doubt that the party leadership is infallible. Gestsson is known for his tendency to gather only yes-men for his party work and demand others be cleansed.

The old communist nucleus has now officially arrived in the leadership of the People's Alliance. Both Hedinn Valdimarsson and Hannibal Valdimarsson said after their experience in cooperating with the communists, that the orthodox people had always held all the ropes behind the scenes. The struggle against these powers will be easier when they are no longer able to hide behind their companions.

9583
CSO: 3111

PEOPLE'S ALLIANCE NEW CHAIRMAN GESTSSON DISCUSSES AIMS

Reykjavik MORGUNBLADID in Icelandic 25 Nov 80 p 2

[Report on an interview with Svavar Gestsson: "Svavar Gestsson, People's Alliance Chairman: K'e Reject Military Project in Helguvik and Foreign Heavy Industry"]

[Text] "What characterized this congress was the great unity the representatives expressed towards the execution of an extensive political resolution which deals with the coming tasks in economic affairs; various important equality issues; the electoral district system and election arrangements; national freedom issues and employment development and natural resources policy. It is something new for a political party to form a labor policy based on the nation's natural resources, so that the annual yield of the fishing stocks and grasslands is utilized and not on exploitation. There are also preparations for a long-term plan in Icelandic labor policy and Icelandic energy policy until the turn of the century, where it will be attempted to keep everything under control so that we can avoid the aggression of foreign cartels and great powers towards our natural resources," said Svavar Gestsson, chairman of the People's Alliance, in a conversation with MORGUNBLADID yesterday after the People's Alliance Congress.

MORGUNBLADID especially asked Gestsson about the execution of energy affairs and projects in Helguvik. "I can understand that people find it strange when someone recommends foreign heavy industry from the podium of the People's Alliance," said Gestsson. As MORGUNBLADID already reported, Hrafnkell A. Jonsson, from Eskifirdi, criticized the labor policy at the congress, and said, among other things, that it lacked foreign heavy industry. "On the other hand, it so happened that the resolutions of the congress regarding labor issues and the energy policy, were passed unanimously," said Gestsson. In the political conclusion it says, among other things, that Icelanders should be in "definite charge of the country's labor affairs and reject foreign heavy industry."

"Regarding the Helguvik affair, it may be said that it has been exaggerated. Also, that our resolution regarding the nation's independence and peace policy, which, among other things, dealt with the Helguvik issue, was adopted unanimously," said Gestsson. "On one side there is the pollution problem, and of course we want to prevent any danger of pollution. But as the case is presented now,

the tank capacity for the military is to be multiplied, and that is to take place at the same time the geothermal heating system is installed at the base. Such projects are not conducive to prevent pollution; but rather increased military activities to which we are opposed. The People's Alliance therefore rejects proposals about the military projects in Helguvik. On the other hand, we obviously want to reduce and prevent the danger of pollution caused by the oil tanks belonging to the military, but that has to be done in a different way."

MORGUNBLADID asked Gestsson whether the People's Alliance could accept new oil tanks in Helguvik if there was not a question of increased capacity. "We are opposed to granting new and increased land area for projects for the military," said Gestsson. "We therefore reject proposals for projects in Helguvik, but how the issue of the danger of pollution will be solved, has not been dealt with especially within the party. But we want to solve that issue through other channels."

MORGUNBLADID asked Gestsson about his opinion of Foreign Minister Olafur Johannesson's statement that the project in Helguvik will be started next year. "He has not said that to me," answered Gestsson. "I will not believe it until I have to, that people are interested in risking the government coalition; and the prime minister has categorically stated that this issue must be discussed by the administration."

9583
CSO: 3111

PEOPLE'S ALLIANCE CONVENTION IS SCENE OF INTERNAL RIFTS

Reykjavik MORGUNBLADID in Icelandic 27 Nov 80 p 7

[Commentary by Stakesteinar]

[Text] At the People's Alliance convention there was expressed, in particular, in the speech of Svavar Gestsson, the fear that the party was becoming isolated in its eccentricity and complacency. To prevent the further development of such notions the communists have, in the past, made a special effort to support the prime minister in word and writ. But they are in doubt about whether or not they have been successful in this or just made difficulty for themselves. Next they will resort to "jailhouse honor," as Ragnar Arnalds expressed it at a party meeting at the time of the government formation.

Isolation Feared

At the same time that the convention of the People's Alliance refused to sanction those sentences in the clauses for a political statement issued by the party leadership, where it was pointed out what success had been achieved in safeguarding the purchasing power of wages, it concluded thereby that there now reigns "a certain uncertainty of position in Icelandic politics." At the same time it became clear that the government has only a small majority and that before us lies a veritable inflationary spiral, which must, necessarily, be stopped. Later it became clear that calls had emerged from within the ranks of the government for a unilateral cut in purchasing power improvements of wages, and it was stated that the People's Alliance generally repudiated such a policy. On the other hand, it is clear that the party would not repudiate cuts in purchasing power improvement if they were not unilateral, that is, that the party has such influence within the labor leadership that that leadership would be willing to accept cuts in purchasing power improvement in exchange for a general union pact, such as was agreed upon in November 1978 and, to some degree, in the Olafs Law of spring 1979.

It is this kind of influence within the labor movement that has made possible such haughty talk on the part of the communists, and they have certainly produced it. As was made clear yesterday in this paper in connection with a report on discussions at the convention of the People's Alliance, the delegates are full of doubt on the propriety of this unholy alliance. Proposals were made at the convention for elimination of the purchasing power improvement provisions of the Olafs Law, a change which has been supported, from time to time, by the People's Alliance and the Progressive Party, and which needs the support of representatives of the Independence Party as well as those of the People's Alliance.

In a speech given by Svavar Gestsson after he took over the chairmanship of the party at the convention he said, among other things: "The situation is now that the People's Alliance has great influence in Iceland, and prospects for obtaining still more influence on Icelandic social evolution. It must realized these prospects. It has been the case in the past that forces within the right wing parties have spoken openly of isolating the People's Alliance for any position of national influence. This undemocratic intent has not received support in those parties on account of the fact that the basic configuration of the People's Alliance finds favorable response far outside the councils of the party."

Does Complacency Help?

Characteristic, now, and in the past, of all public acts of the communists in Iceland is an unspeakable complacency, and this emerges strongly from the words of the newly chosen party chairman, Svavar Gestsson, quoted above. It also emerges from clauses for a political statement presented to the convention of the People's Alliance, but there the bragging on purchasing power was dropped since this self-delusion was in clear contradiction with the feeling of each convention delegate on where things stand. It is also a great self-delusion of Svavar Gestsson when he says that the "basic configuration" of the People's Alliance, and by this he means orthodoxy in terms of the dictates of the world communist movement, "finds favorable reception far outside the councils of the party."

In his vain complacency he endeavors to cover up the great fear, which now reigns within the leadership of the People's Alliance, that its declining support as a political party within the labor movement, together with reactionary aims of the party and its perplexity in all areas, will lead to members of the governing coalition seeking cooperation with parties other than the People's Alliance in solving pressing problems. It seems to be arrogance on the part of the new chairman of the People's Alliance that he terms such reactions parliamentarily undemocratic.

It has been suggested publicly in the past that the situation could arise whereby Gunnar Thoroddsen might see no other choice in the matter than that he himself, and his government, put distance between themselves and the communists. On the occasion of such a breech two things might happen: Gunnar Thoroddsen could position himself to once again take his seat with the majority of the Independence Party and the communists would automatically isolate themselves in their eccentricity and complacency.

The fondness of THJODVILJINN and the communists for Gunnar Thoroddsen of the last weeks and months bears within itself the danger of isolation. The discussion by these parties of the prime minister is of a very different nature than the discussion of coalition ministers of the Progressive Party. The communists have only the strongest of words for the Progressive Party coalition ministers and now it has even come about that Olafur Johannesson has been accused of deceit in fisheries jurisdiction matters. The political career of Gunnar Thoroddsen shows that he does not always reciprocate praise and support with placability and cooperation.

11,433
CSO: 3111

ALTHING COMPLETES WORK ON 1981 BUDGET

Reykjavik MORGUNBLADID in Icelandic 21 Nov 80 p 5

[Article: "Party Budget for People's Alliance: 37.6 Million Krona in 1981, Income from Althing Delegation More Than Foreseen in This Year's Budget"]

[Text] Final figures of the 1981 People's Alliance party budget are 37.6 million krona, an increase of almost 10 million krona over the budget of the present year.

It is stated in the review of operating expenses of the People's Alliance for the first 10 months of this year, which was presented to the party convention yesterday, that 17.2 million krona of projected income have been collected while expenditures for the same period are 20 million krona. Income "from the Althing delegation of the People's Alliance" is, however, more at the end of October than is foreseen in the budget, or a brisk 9 million krona, whereas 7.5 million krona were estimated for the entire year. Of the estimated 10 million krona in levies on People's Alliance party cells, 2.5 million were paid at the end of October. Of 7 million foreseen for the year from the party supporters' system, 4.3 million have been collected and income from "paid private activities" amounted to 891 thousand krona at the end of October and 2.3 million krona are foreseen in the budget for the present year. There are also mentioned in the review 420 thousand krona of "other income," and 1 million is foreseen for the entire year in the budget.

Those payment categories which are above budget estimates at the end of October are rent expenses, which were 1.425 million krona, compared with 1.275 million krona budgeted for the entire year, and general business expenses, which are 411 thousand krona, or 111 thousand krona over budget estimates

Wages are the weightiest payments category in the budget. They amount to 13.6 million of 27.8 million this year and 22 million or 37.6 million of the budget for next year. The income estimates for next year come to 12.5 million in levies on People's Alliance Party cells, 8 million from the Party supporters' system, 3.5 million from paid private activities, 13 million from the Althing delegation and 600 thousand krona as "other income."

11,433
CSO: 3111

1981 INFLATION PREDICTED TO BE 70 PERCENT

Reykjavik MORGUNBLADID in Icelandic 26 Nov 80 p 2

[Text] The Statistics Bureau has sent the government a forecast of developments in wages, purchasing power and prices for next year, if economic policy remains unchanged, and bearing in mind the new income agreement. The forecast predicts that inflation will rise to 70 percent next year, wages will increase 60 percent, and the decline in purchasing power will therefore be 5-6 percent.

The forecast estimates that the value of the krona will be lowered to offset the cost increases of the exporting sectors and that foreign exchange will then increase 55-60 percent from 1980 to 1981, which is the equivalent of a 34-35 percent devaluation of the krona.

Olafur Davidsson, the director of the Statistics Bureau, confirmed yesterday in an interview with MORGUNBLADID that the bureau had recently sent a forecast to the government including these figures. "This is just a working tool for the government, the first part of an assessment of the various components of the economy," Davidsson said. He said that he did not want to delve further into these matters.

8743
CSO: 3111

BRIEFS

SUBMARINE VIOLATES TERRITORIAL LIMITS--An unidentified submarine was seen by the crew of the Akranes-based seiner Viking about 4 nautical miles from Kopanes last Saturday night. First they saw the ship on radar and since the moon was out, they did not see any lights on the ship, which was not far away, according to the radar screen. When they investigated further, they saw the submarine head south at a high speed. According to a report from Captain Gudmundur Kjaernested of the Icelandic Coast Guard, they did not notice the submarine because Coast Guard ships were situated further north. The crew of the Viking saw a beam of light from one of the portholes of the submarine, which appeared to be sailing at 12 miles per hour. There was also a great deal of foam around its turret until it vanished from sight. [Text] [Reykjavik MORGUNBLADID in Icelandic 26 Nov 80 p 3] 8743

CSO: 3111

POLL INDICATES LOSS FOR LABOR PARTY, GAIN FOR CONSERVATIVES

Oslo AFTENPOSTEN in Norwegian 22 Nov 80 p 3

[Reportage by Erling Koldaas]

[Text] "The party now seems to be in a serious situation." This was Prime Minister Odvar Nordli's initial comment following the party's "confrontation" with voter opinion, signaled by Norwegian Market Data's political gallup poll last October: Labor Party 33.2 percent, Conservative Party 31.1 percent. As far as voter support is concerned, the distance between the two parties continues to narrow. Conservative Party Chairman Jo Benkow was naturally pleased that this poll confirmed the party's gain. In Benkow's opinion, the main reason for the Conservative gain is the desire among voters for firmer national leadership.

"As far as I am concerned, the poll only reflects one thing," said prime minister Odvar Nordli: "The Labor Party seems to be in a serious situation and, more than ever, we need to unite all forces within the entire labor movement in order to reverse this trend. This alone will prevent a heavily conservative-dominated government.

In the years ahead," the prime minister continued, "we shall encounter the greatest opportunities our society has ever experienced, but also the greatest challenges. Hence, we need to provide stability and prevent unemployment here at home and do our part to develop a constructive international peace policy--which is more necessary than ever.

In this type of situation, future developments must be influenced by the political views of the labor movement and, for this reason, we must unite our forces," prime minister Odvar Nordli pointed out.

Conservative Party Chairman Jo Benkow stressed that we should be careful about attaching too much importance to a single poll. "A single opinion poll only has validity until the next one comes along," he said, but referred to the fact that a series of polls confirmed a gain for the Conservatives and a continued decline in voter support for the Labor Party.

"Behind this development is the desire for firmer national leadership and new policies," said Benkow. "It is obvious that an increasing number of voters are uneasy about the government's course of action and its stand on a number of issues and want a new and more energetic government."

With respect to the Conservatives' obvious gain in the last few months and the ever narrowing distance between them and the Labor Party, Benkow said the party stands united on its positions, which are increasingly gaining popular support.

"It is also very gratifying," the Conservative chairman continued, "that the three parties which together want to form a nonsocialist government, the Conservative Party, the Christian People's Party and the Center Party, have a combined voter support of 50.6 percent. At the same time, only 40 percent of the voters support parties that define themselves as socialist, of which 33.2 percent belong to the Labor Party."

Estimates also show that the gap is narrowing between the Labor Party and the Conservative Party with respect to parliamentary representation. Based on the October poll, the Labor Party would lose 16 representatives, leaving them with 60 mandates, while the Conservative Party would gain 11, having a total of 52 mandates.

The three nonsocialist coalition parties, the Conservative Party, the Christian People's Party and the Center Party, would gain a clear majority in Parliament with 84 mandates altogether, while the Labor Party and the Socialist Left Party (SV) would only manage to get 65. That means a gain of three mandates for the Socialist List Party.

The Liberal Party would have five representatives in Parliament, three more than it has today. The Liberal People's Party would have a single respresentative, according to Norwegian Market Data's October poll, while the rest of the parties would not be represented in Parliament at all.

8952
CSO: 3108

PAPER COMMENTS ON POLL RESULTS, NORDLI PERFORMANCE

Oslo AFTENPOSTEN in Norwegian 22 Nov 80 p 2

[Editorial]

[Text] An historic polling result: the Labor Party and the Conservative Party have equal voter support, according to Norwegian Market Data's October poll—the results of which are given on page 3 of today's paper. Failing leadership, internal rifts and growing dissatisfaction with the government's and the party's handling of vital issues as far as the Norwegian society is concerned has brought the Labor Party to what seems to be a complete breakdown. From August to October, party support declined by 4.3 percentage points and the Labor Party now has the support of 33.2 percent of the voters, while the Conservative Party gained, showing a support of 31.1 percent of the voters. The difference is within the statistical margins of error that apply to such polls.

The October poll reflects the general impression among people of a government party crumbling from within, a party that obviously cannot handle the evolutionary problems we are facing. We are in a period in which the Labor Party is losing public faith and trust from month to month. One could safely refer to it as a confidence crisis between the party and the voters.

The failing voter support has been particularly noticeable the last couple of months. To the extent one might attribute the decline to a specific reason, it seems natural to call attention to the Government's and the Labor Party's handling of the much discussed prestockage issue. Pressured by an active and very vociferous radical wing, the government party has begun to interfere with an issue that is vitally important to Norway's chances of withstanding, and repulsing, an enemy attack. By its fumbling response to stockpiling, the government and the largest party in Norway have helped to spread doubt and uncertainty about our defense and security policy. That can never be done--nor should it be done—without a reaction from the voters.

The situation in which the Labor Party now finds itself will undoubtedly intensify the struggle for party leadership. There has perhaps never been a more conspicuous lack of uniform policy and firm leadership. This means renewed efforts to find the "strong man"—or woman who will serve as both prime minister and party chairman at the same time. And although Odvar Nordli has turned down all speculation he might consider running for party chairman at the national party congress next spring, there is reason to believe that more and more members will try to talk him into it. But we, for our part, consider it doubtful that such a choice would help solve the Labor Party's basic problems. One should not forget that Nordli has actually served as the political leader without really being one. Hence, the complaint of lacking leadership could also be directed toward him.

The other main conclusion we can draw from this poll is that the three nonsocialist coalition parties, the Conservative Party, the Christian People's Party and the Center Party, together have the support of 50.6 percent of the voters and that the Conservative Party and the Christian People's Party alone have greater support than all the socialist parties put together. But let us not forget that the election is still 10 months away. The middle parties' thoughtless solo play in connnection with the budget negotiations in Parliament last fall shows how weak the nonsocialist structure can be. One can only hope that this impression does not become permament.

Gallup's Political Barometer

	Parliamentary election Sept 1977 (percent)	County Board election Sept 1979 (percent)	1979 Dec (percent)	1980 March (percent)	1980 June (percent)	1980 Oct (percent)
Radical Liberal Party (RV)	0.6	0.8	1.0	1.2	0.3	0.9
Labor Party (Ap)	42.3	36.2	37.2	35.8	38.8	33.2
National Communist Party (NKP)	0.4	--	0.5	0.4	0.1	0.4
Socialist Left Party (SV)	4.2	4.4	4.8	4.7	3.9	5.7
	47.5	41.4	43.5	42.1	42.3	40.2
Progress People's Party (Frp)	1.9	2.5	3.9	3.9	3.9	2.7
Liberal People's Party (DLF)	1.4	1.2	0.8	1.5	1.1	0.4
Conservative Party (Hoyre)	24.8	29.7	27.8	28.7	28.4	31.1
Christian People's Party (Kr.F)	12.4	10.1	11.0	11.0	11.4	12.7
Center Party (Sp)	8.6	8.6	8.1	7.5	7.7	6.8
Liberal Party (V)	3.2	5.3	4.6	5.2	5.0	5.7
Other	0.2	0.6	0.4	0.1	0.2	0.4
Total	100.1	99.4	100.1	100.0	100.0	100.0
Response to party preference			1,146	1,087	1,145	1,124
Total number interviewed			1,380	1,322	1,386	1,454

The barometer shows voter support for each party based on the 1977 parliamentary election. The margin of statistical error could be 3 percent for voter support near 50 percent, about 2 percent for support of 10-20 percent and near 1 percent for lesser support. Interviews were made in the period 13 October to 8 November 1980.

Oslo, 21 November 1980

Norwegian Market Data, Inc.

BOOK SAYS CENTER MUST BECOME MORE THAN FARMERS' PARTY

Oslo AFTENPOSTEN in Norwegian 22 Nov 80 p 3

[Reportage / Eivind G. Karlsen]

[Text] Will the Center Party again become purely a farmers' party? The lack of voter support undeniably suggests the danger of that. In a situation where the party is actually fighting with its back against the wall when it comes to influencing Norwegian politics, we need far better advice than "it is all the same whether we cooperate with the Labor Party or with the Conservatives." A few leading party spokesmen actually believe that, although most realistic observers clearly see that "cooperation" with the socialists will directly lead the party to destruction. Party voters and sympathizers, on the other hand, expect the party to follow a clearly nonsocialist course.

The opening question was touched upon by a former prominent party figure, Einar Hovdhaugen, in a book commemorating the party's 60th anniversary entitled "Roots and Future Center Party Success and Misfortune 1920-1980." He maintains the party has no future as a farmers' party other than as a minority party. In order to meet the challenges of the 80's and 90's, the former parliamentary representative points out, the Center Party must maintain a distinct center profile, emerge with a clearly center-oriented reform policy that will engender trust in the party among broad segments of town and country voters.

"But it must beware of thinking and developing in terms of blocks," warns Hovdhaugen, advancing the peculiar idea that the Labor Party and the Conservative Party will always be wing parties.

Secretary General Svein Sundsbo, who belongs to the Center Party's new elite leadership, expresses the same thing in a different way when he writes about the tendency toward polarization between the Labor Party and the Conservative Party. Sundsbo labels it "political puritanism" to refuse to cooperate with these parties: To some extent many of us consider it unfashionable to cooperate with the Labor Party, while others find the Conservative Party's base objectionable," he points out.

The secretary general then indicates in which direction the party should go by outlining "Center Ideas in the 80's?" Sundsbo leans heavily toward the Labor Party's position when he--referring to social developments that will result from the new technology--feels the Center Party should not only accept a continued high decree of public spending but also the active determination to manage the distribution of benefits and responsibilities and create understanding and desire for active social involvement and extensive government spending in the 80's.

It is also interesting that Sundsbo is prepared to abandon the party's traditionally nationalistic/isolationist stand: The party's defense strategy has shifted from a national vantage point to that of protecting the world's regional distinctive qualities. We should again view the Nordic countries as an interesting cooperative unit.

Obviously, concerns about sustenance are now in the background: The Center Party, according to Sundsbo, should strive to moderate its strong emphasis on specialization so as to allow for "self-sufficiency with respect to various products within the several countries and within the several regions in Europe and the world." The former Farmers' Party spokesmen are not contradicting themselves.

The Center Party's double-dealing with respect to the EC-matter under the Borten government is confirmed in another important contribution to the book written by John Dale, the parliamentary group's former secretary. He points out that while the government was working on its market report, the national party organization met and authorized the leadership to prepare a negotiating strategy. At the same time, the Center Party formulated its stipulations in Parliament, Dale continues: Reservations were taken in one area after the other, but the party did agree to membership negotiations. It would be up to the opposition to decide whether Norwegian demands were consistent with membership. In other words, they wanted EC to say "no!"

Though indirectly, Dale confirms an important point in the criticism of the then prime minister, who denounced his cabinet ministers in submitting tax reform and the VAT.

"Critics sought an explanation in the person of Borten," he writes and continues" "The prime minister's somewhat unconventional style led to that. But with all due respect for the significance of personal characteristics in an historic process, we should first look for reasons within the coalition because of the way it was functioning as a cooperating body."

Borten had a difficult job as a kind of "leader among equals," Dale points out. As far as we can see, the anniversary book does not accord Per Borten much more "praise" than that in this or other contributions.

Pettiness is one of politics' least commendable traits. In this case it befalls Borten--of whom you may think what you will, but: For many years he was Center Party chairman, its parliamentary leader and the party's first prime minister in over 30 years--and under his political leadership party voter support remained constant at 9 to 11 percent. Without a doubt, he was one of the party's most important leaders in postwar years.

Borten might be comforted by the fact that his successors John Austrheim, Dagfinn Varvik and Gunnar Stalsett are not the objects of special tribute either; the latter two--Center Party city chairmen during the 70's--are barely mentioned. Obviously they also did what they could for the cause and the party. But, as everyone knows, ingratitude is the world's reward.

The anniversary book provides interesting glances into the Center Party's past history and insight into what is happening now--present chairman Johan J. Jakobsen, of course, focuses on resource management--as well as what might become future party

policies. Nothing particularly new, in other words. But many may not know that some within the party entertained the idea of a pure Center Party government, eventually supplemented by EC adversaries from AIK, the political wing of the Labor Party, before the Korvald government was formed in 1972.

At that time the party was propelled by a tail wind. Now it has a difficult uphill struggle--in spite of the fact the book is filled with optimism.

ROTæESTE OG FRAMTID, Senterpartiet i medgang og motgang 1920-1980.

Cultura Publishing House.

8952
CSO: 3108

REVOLT AGAINST OVER-REGULATED SOCIETY AIDS CONSERVATIVE PARTY

Stockholm SVENSKA DAGBLADET in Swedish 30 Nov 80 p 2

[Commentary by Axel Waldemarson]

> [Text] "The situation was that a powerful party had accomplished some great things and then was left emptyhanded, able neither to unite around something new that would attract the voters nor to find the way out of a difficult situation."
>
> The above statement, by Prof Jens Arup Seip, refers to the Liberal Party's fall from a dominant position in Norwegian politics.

Political movements in Norway have often been given a mission. It was the Liberal Party's calling to give the farmers political influence. The Labor Party's great achievement was that it brought the working class into the democratic society.

What, then, is the mission of the Conservative Party?

That question can be asked now that Norway's Conservative Party, according to Gallup's latest political poll, is following close on the Labor Party's heels--if we listen to AFTENPOSTEN (Conservative)--or, to use ARBEIDERBLADET's phrase, has pulled up close in the rear.

The Labor Party has dropped to 33.2 percent--a loss of 2.7 percent--while the Conservative Party has picked up 2.1 percent for a new total of 31.1 percent.

Altogether, the parties expected to form a coalition--the Conservative Party, the Christian People's Party, and the Center Party--mobilize 50.6 percent of the voters, while only 38.9 percent back either the Labor Party or the Socialist-Left Party.

Serious Social Democratic Crisis

A single public opinion poll should never be regarded as a trend. On the other hand, a trend is not necessarily broken by a single poll.

It is therefore possible, based on the series of opinion polls, to see a trend indicating that on the threshold of the 1981 election year, the Labor Party is entering one of the most serious crises of confidence it has ever known, both politically and personally. For those who do not assign any particularly great importance to

opinion polls, direct statements from the Labor Party's leading politicians speak for themselves.

"The situation is serious," said Prime Minister Oddvar Nordli in one statement.

On its editorial page, ARBEIDERBLADET quoted a giant headline that appeared on page 1 of DAGBLADET: "Gallup Disaster for Labor Party." The government organ then added, "We agree with DAGBLADET. If this turns out to be the result of next fall's election, it will represent a disaster for the Labor Party."

It is symptomatic that ARBEIDERBLADET's only remedy is to issue an exhortation to unity and counteroffensive. The idea that policies or persons may have had a negative effect on voter attitudes is alien to the newspaper, which writes: "The Labor Party has a party leadership which as a body represents more experience and political competence than any other party in the country."

Deep Split

In reality, the Labor Party is deeply split politically with notable conflicts among its members. It is almost incapable of uniting in any way except verbally.

The feelings within the party remind one of those that prevailed in Sweden's Conservative Party before and after the electoral disaster of 1970.

Party Chairman Reiulf Steen, who was once the Norwegian labor movement's answer to Olof Palme, the leader of its Swedish counterpart, is the center of strong controversy. Action has even begun around the country on a plan to keep him off the party's slate of Oslo candidates for Parliament in the 1981 election. Party veteran Einar Gerhardsen--the master tactician--says that the question of a leader must be resolved at the next party congress.

At the same time, Prime Minister Oddvar Nordli is accused of lacking leadership ability. He nevertheless represents perhaps the party's best asset in a time of rough weather.

Turned Nasty

To use a common expression in the special language of politicians, things have turned nasty politically on almost all the major issues.

1. The 1979 debacle in municipal policy caused a bitter struggle within the party and between the party and the LO [Norwegian Federation of Trade Unions] over that policy, which resulted in the landslide defeat.

2. The government's action in connection with the modernization of NATO nuclear weapons in Europe resulted in open "civil war": the radical pacifist wing accused the government of manipulating the party and hoodwinking the movement.

3. The issue of allowing the advance storage of certain heavy U.S. materiel in Norway has also caused a sharp split in the party, although a clear majority supports the government. The dividing line runs between the party's aging core--wise with

its experience of the war years--and the younger members, who want to restore the radical pacifist image.

The young naturally consider it an abomination to read announcements like the following: "Public meeting. Advance storage. Security. On the program... Norwegian Federation of Trade Unions: Yngve Hagensen; Norwegian Employers Association: Pal Kraby; Lt Gen Tonne Huitfeldt...."

But the more experienced party workers are deeply convinced that just as confidence in the Labor Party's security policy once contributed to its strength, so the uncertainty that is now spreading is contributing to its fall.

4. This year's budget policy fight. The government has submitted a budget which--according to talk behind the scenes in Parliament--even the Conservative Party would not have dared to present. In any case, the Conservative Party would not be losing face--quite the contrary--if it helped the government guide the bill on relief from marginal taxes through Parliament.

Weak Identification

Voter emotion is divided between the two big parties: the Labor Party and the Conservative Party. The budget question and the security policy make it difficult for AP [Labor Party] voters to identify with or feel motivated for their old party.

The day before the "Gallup disaster," ARBEIDERBLADET's first page was devoted almost entirely to a single lengthy informational article under the headline "This Will Unite the AP!" The thing that was to unite the party was something as uncontroversial as efforts toward peace and tension [as published; presumably relaxation of tension intended] and--as a new element--a nuclear-free zone which, according to the newspaper, would include the Kola Peninsula and the Baltic Sea area as well as Scandinavia proper. The wording in the party platform is guarded.

The proposal is not to be compared to the Kekkonen Plan but to the alternative that Einar Gerhardsen, among others, used as a counterargument at that time: larger areas than just Scandinavia should be included.

Moscow's reaction to Gerhardsen's remarks is related by former Communist leader Reidar T. Larsen (now a defector from the party) in his recently published memoirs. During one discussion, Boris Ponomarjov said Norway was assuming that the Soviet Union would disarm its northern areas for the sake of an agreement with the Nordic countries, which have no nuclear weapons, concerning a nuclear-free zone. Ponomarjov (with whom, incidentally, Olof Palme discussed disarmament questions in Moscow last fall) added that if that happened, Gerhardsen would deserve a statue in his honor in every American city!

Strength of Conservative Party

A party scores successes if its opponent is weak. But what is the strength of the Conservative Party itself?

While it was the Liberal Party's mission to give the farmers national influence and the Labor Party's duty to insure democratic rights for the workers, the Conservative

Party--founded in 1874 but with roots in the ideas of 1814--stands out as the defender of the constitutional state.

The important task then becomes one of not only legalizing but also limiting the exercise of power, not merely shifting it between the various groups within society. In short, the mission is to free the citizen of what can be called the world's most minutely regulated society (although regulated in good democratic order) and of the dangers that excessively strong state authority involves in the form of limited freedom of movement.

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CSO: 3109

BRIEFS

INCREASED SHIP CONSTRUCTION--Among the European countries not belonging to the EEC Spain built the largest number of ships during the third quarter of 1980, according to a report published by the OECD in Paris. Spain finished the construction of 16 ships in its shipyards throughout the quarter. Next was Norway, with 13 ships, Finland with 8, and Sweden with 2. In the same period the Common Market countries built a total of 61 ships. The leading shipbuilder was Great Britain, with 19; The Netherlands, with 16; West Germany, with 10; and the rest were divided among the other countries. Ship construction in Spain has experienced a marked increase this year. At present, activity at the shipyards is double that of 2 years ago; nevertheless, production is only at 50 percent of capacity compared to the beginning of the present decade. One of the reasons for the recent surge in ship construction is the good prospects for coal as a future source of energy. Since ships are needed to transport it, many countries are ordering them at present. [EXCERPT] Madrid EL PAIS in Spanish 26 Nov 80 p 54] 9015

CSO: 3110

PAPER DISCUSSES CONTINUING DECLINE IN VPK POLL SUPPORT

Stockholm SVENSKA DAGBLADET in Swedish 30 Nov 80 p 2

[Editorial]

[Text] If we do as Sifo (Swedish Institute for Public Opinion Polls) wishes, we will not compare today's opinion figures for the parties (see table and diagram in this page) with last month's individual poll results, but with last month's trends. In this case, we will see that the four largest parties have not undergone any significant change at all since last month. The Social Democrats, Conservatives, Center, and Liberal Party have all stood still in voter sympathies.

On the other hand, a continued decline for the Left Party Communists can be noted. That is a welcome development. Last fall the VPK (Left Party Communists) reached its highest level ever since opinion polls of this kind began to be made.

The primary reason for this, of course, was the referendum campaign. VPK was accepted into the community of democratic organizations, most importantly the Center Party, in the temporary popular movement that was created in opposition to nuclear power. In this way, the VPK was given a semblance of democratic legitimacy. In classical popular front style, a strategy described in detail by Lenin, the Communists toned down their basic revolutionary and antidemocratic outlook in their public image.

Now, it seems, the fruits of this little con-game have fortunately been lost.

The VPK must again get used to the presence of what is sometimes called within the party "Comrade 4 Percent," a gifure who occasionally is allowed to run the party completely.

The fact that the other four parliamentary parties remain unchanged is hardly comforting news for Sweden's nonsocialists. An election with results corresponding to today's Sifo figures would mean a majority government for the Social Democrats.

It is possible that, despite this, the Social Democrats are a little disappointed. Unless the government is able to act with extraordinary authority, a crisis situation such as the one Sweden is now in must be favorable to the opposition. Thus, one might expect even greater success for the large opposition party. But it is possible to mismanage even a favorable situation. The lack of a constructive alternative, the vehemence colored with personal agression in the attacks, and especially the ridiculous maneuvers in connection with the no-confidence vote--the so-called rickets outcry--have probably contributed toward retarding the growth of the Social Democrats.

But, as we mentioned, they are more than strong enough. For the nonsocialist parties, the prospects for the 1982 election must seem gloomy.

As we have pointed out many times, however, these are thoughts that the leadership of these parties simply have neither the time nor the right to devote all too much attention to. They should devote themselves to governing Sweden and not to developing election strategies. They should look after the good of the nation and not that of the various parties. Today, many Sweden are thoroughly tired of everything that has to do with political tactics. They do not accept tactical arguments for political decisions. Ordinary people are sick and tired of the argument that we must do this or that in order not to lose votes to this or that party or in order to take votes from this or that party.

What they demand is political action.

We believe we know that within the government there is some good insight as to what should be done in today's crisis-ridden Sweden. The plan for economizing is an indication of that. But the hesitation and uncertainty, the timidity in certain circles, are so strong that they put off and delay, and quite often destroy, the proper measures.

The opposition, of course, is unrestrained in its tactics. But whoever gives in to this and fails to propose the proper measures, due to dread of the opposition's ability to profit from dissatisfaction, because of fear of protests from LO (Swedish Federation of Trade Unions) and TCO (Central Organization of Salaried Employees), and out of fear of screaming from all manner of pressure groups, is not much better himself.

Probably, it is only if the government does not think about how the next election will go that it will have a chance to gain renewed confidence.

9336
CSO: 3109

POLL SHOWS MOST THINK BOHMAN HAS MOST INFLUENCE

Stockholm DAGENS NYHETER in Swedish 7 Dec 80 p 7

[Article by Sven Svensson]

[Text] Economy Minister Gosta Bohman has the most influence over developments in Sweden. This was shown by a series of interviews made by IMU, the Institute for Market Research. Voters of all parties believe that Bohman is the most influential person in Sweden.

Between 15 September and 8 October, over 1,000 voters answered the question of who had the greatest influence. The study was arranged in such a way that a list of 15 names was shown to the voters, with the title prime minister, party leader, doctor of technology, etc. in parentheses.

The question was asked just after the voters had indicated their party sympathy, what they thought were the most important questions in politics, etc.

Bohman On Top

Gosta Bohman (economy minister) is at the top of the list with 27 percent, Olof Palme (party leader) is second with 14 percent, followed by Marcus Wallenberg (doctor of technology) with 12, Thorbjorn Falldin (prime minister), 11 percent, Curt Nicolin (Swedish Employers' Confederation), 11 percent, Gunnar Nilsson (Swedish Federation of Trade Unions), 10 percent, Nils G. Asling (industry minister), 6 percent, Kjell-Olof Feldt (economist), 3 percent, Pehr Gyllenhammar (Volvo dicrector), 2 percent, Ola Ullsten (foreign minister), 1 percent, Gunnar Myrdal (professor), 1 percent, Lennart Bodstrom (Central Organization of Salaried Employees), 1 percent, and Carl XVI Gustaf (king), 1 percent.

Lars Werner (party leader) and Ingvar Seregard (PTK) received zero percent.

The question was not answered by 5 percent and 5 percent gave two names.

Gosta Bohman is seen as having great influence by voters of all parties, but mostly among Conservatives. Among Conservatives, 32 percent believe Bohman has the greatest influence, compared to 25 percent among Social Democrats. Men, especially, believe that Bohman is influential—31 percent compared to 23 percent among women.

Different

With Palme the situation is different: 22 percent of the Social Democratic voters believe that their own party leader is the most influential, compared to 13 percent among Liberal Party supporters. Palme has the strongest position in the over 65 age group where 18 percent believe he is influential, compared to just 7 percent in the 25 to 34 year age group.

The Left Party Communists have a low profile in the study: 31 percent of them believe Marcus Wallenberg has great political influence, compared to 17 percent of the Center Party voters and 13 percent of the Social Democratic voters.

Among Center Party voters, 19 percent believe that Prime Minister Thorbjorn Falldin has great influence, compared to 7 percent among Social Democrats. Fourteen percent of the women voted for Falldin and 25 percent in the 15 to 25 age group.

Nicolin

Curt Nicolin is seen as having great influence by 18 percent of the Conservatives and 12 percent of the Liberal Party voters.

Gunnar Nilsson received votes from 14 percent of the Conservatives, 11 percent of the Left Party Communists, but only 7 percent of the Social Democrats. In the 45 to 54 year age group, 15 percent believe Gunnar Nilsson has great influence.

A similar study was conducted in Denmark several months ago. Danish LO (Federation of Trade Unions) chief Thomas Nielsen received the most votes in that study. Every third Dane believed that the LO chief was Denmark's most influential person.

9336
CSO: 3109

FÄLLDIN GOVERNMENT STUMBLES IN HANDLING RECENT PROBLEMS

Stockholm DAGENS NYHETER in Swedish 29 Nov 80 p 7

[Commentary by Sven Svensson]

> [Text] The Fälldin government is on the way toward turning into one big provisional arrangement. In the Riksdag it has to muddle along from day to day to get its bills passed.

The economy package in the fall gave the impression of a sudden access of energy and will. At last the Fälldin government with a one-vote margin in the Riksdag seemed to have found an acceptable method of work, whatever you might think of the content and direction of the economy package.

The various departments did a rough job and sorted out possible economies. The economy bill then wandered back and forth among the bourgeois Riksdag delegations. The system seemed to be working, with three or four small exceptions.

But the energy was an illusion which soon fell apart. Most of the provisions of the government bill have since degenerated into provisional arrangements.

- The new base amount, which guarantees the buying power of pensions, social security benefits, and civil law agreements, becomes a provisional arrangement.

- The taxation of dividends becomes a provisional arrangement.

- The taxation of government lottery bonds becomes a provisional arrangement.

- The energy policy is just one big provisional arrangement.

- The energy minister is an unpolitical provisional arrangement.

- The general clause is a provisional arrangement for 5 years.

On top of all these provisional arrangements there is the NCB [Forestry Owners Association of Norrland] affair, which is a sort of provisional government crisis, since Gosta Bohm and has demanded that the concern go bankrupt.

From the technical business point of view there is probable cause for Bohman's standpoint. Some day Sweden must put its bets on industries of the future, and not just on these innumerable crisis industries.

But NCB is not a business economy question, but a political question. The Riksdag, including the Conservatives, decided only about a year ago that the State was to take over the ownership responsibility in the NCB. No party can simply go back on that--even if the private timber industry would make big money with the NCB plants shut down.

Politically Bohman's sudden talk about bankruptcy is almost incomprehensible. It should have led to an immediate government crisis, if there were any order in the parliamentary system in Sweden. The three government parties cannot be in disagreement on such a question without the government's falling apart.

Bohman had another alternative. He could have said:

"We are theoretically in favor of bankruptcy for the NCB, but the bourgeois government is so important to us that we will try for a political compromise."

Why did Bohman not choose this softer line?

It must be due to poor political advisers. Bohman is the oldest of all the party leaders, but sticks with the youngest advisers. Is that where the explanation lies?

The other explanation is that Bohman is blinded by the Conservatives' greatness and the faith in the wind from the right in Europe.

Bankruptcy would place both Prime Minister Fälldin and Minister of Industry Ahlin in a difficult political situation, after all the brash statements that there will be no bankruptcy.

If the Fälldin government should rally round NCB, Bohman would have to eat the biggest part of the sour apple. And it will be sour for all concerned; that is one thing sure! And the decision will be provisional, too.

Sweden's provisional government (SPR) guarantees that.

8815
CSO: 3109

PALME DEFENDS SELF BEFORE PARTY: WORK ABROAD NECESSARY

Stockholm DAGENS NYHETER in Swedish 30 Nov 80 p 6

[Report by Peter Sandberg, of DAGENS NYHETER's Göteborg office, on speech by Olof Palme]

> [Text] Göteborg, Saturday [29 November]--"What is a party without a desire for solidarity and cooperation between people and nations? A provincial movement without ideas and visions, predestined to choose the side of egoism and chauvinism in the global power struggle," said Olof Palme when he spoke Saturday at the labor union's 90th anniversary celebration in Göteborg.

Olof Palme seized the occasion to answer the criticism that he spends too much time abroad by pointing out what deep roots the international work for solidarity and peace has in the Social Democratic Party.

With quotations from the period of the formation of the Social Democratic Party in the 1880's, from Branting and August Palm among others, he attempted to show that an international involvement is one of the foundation stones of the Social Democratic Party.

"It is not a new fancy, a luxury that we can indulge in today. There was early clarity as to what the chief enemy was. In a platform of the Social Democratic club in Stockholm in 1885 we read, 'War and armed peace are one of the greatest obstacles to the universal brotherhood of man. One of the Swedish labor party's tasks must therefore be to work for the establishment of an ordered state of law among the nations,'" Olof Palme reported.

Refugees

During World War II socialist leaders from many countries were refugees--Willy Brandt, Bruno Kreisky, and 60-odd others. That "Little International" acquired great importance in many countries after the war when the refugees returned to their homelands.

Blood Bath

"That shows the importance of a general asylum policy. Many of the Latin Americans who are here today will play a big part in their countries when democracy has won out," said Olof Palme.

He discussed the encroachments on human rights in Latin America and how the dictators sniffed the morning air after Reagan's victory in the American presidential election.

"Unheard-of atrocities are being committed. In El Salvador an inconceivable blood bath is going on, in which 10,000 people have been killed, 80 percent of them by the army. Recently the whole leadership of the democratic movement was killed. Several of them were here last spring, ordinary, decent democratic people. There was no extreme group behind that; it is the régime that is practicing terrorism against the people," said Olof Palme.

The threat against the world today is poverty and the arms race. The Brandt Commission, according to Palme, showed how dependent the industrialized and the underdeveloped countries are on each other. But the most important thing was that it was also shown that it is possible to do something about poverty if the will is there.

8815
CSO: 3109

UNIONS WARN THAT NUMBER OF LAYOFFS SOON HIGHEST SINCE 1945

Stockholm DAGENS NYHETER in Swedish 28 Nov 80 p 8

[Report by Bo A. Ericsson]

[Text] Over 30,000 employees in industry have been laid off or are under threat of layoffs. That, according to several trade unions, is the highest figure recorded since the war, and it will increase further. The lay-offs are being handled for the most part by resorting to 3-day or 4-day weeks. For the unemployment funds, the wave of operating cutbacks means that every day the workers are put on "leave" right now they have to pay out several million kronor in compensations to those affected.

In practice the unemployment funds are thus functioning today as a sort of extra support to industry. The funds are largely financed by the state. The rest of the money comes from the employers and the members.

The 30,000 or so industrial workers that are laid off today or threatened with layoffs are distributed as follows among the different industry unions within the LO [Swedish Federation of Trade Unions]:

- Metals have the biggest part--nearly 20,000 of the union's members are hit by current or predicted layoffs. The highest number since the war, the Metal Workers' Union says.

- Within the Factory Workers' Union the number is about 2,500. Additional layoffs of about an equal number of members are expected.

- Within the Wood Industry Workers' Union 2,500 men are laid off right now. The number will increase.

- Within the Miners' Union over 4,000 members either are already laid off or will be later this year [1980] (LKAB Mining Company).

- In the Clothing Workers' Union and elsewhere there has been some experience of layoffs.

At the beginning of November DAGENS NYHETER made a survey that showed that about 20,000 employees of industry were then hit or threatened by layoffs. The number has thus grown considerably in only a few weeks.

Several Warning Signs

At the district employment board in Eskilstuna, for example, it is said that the warning signs of operating cutbacks have drastically increased lately. Just since 1 November 500 to 600 employees have been affected in the district. The level is considerably higher than has been usual in the last few years.

At the same time there has been a great drop in the number of vacancies. At the end of May and during June there were about 4,000 job vacancies in the district. Now the number is barely 1,000.

Several other districts have also reported a sharply reduced demand for labor.

But neither the warning signs nor the reduced access to vacancies has yet given rise to any increase in officially reported unemployment. That will not happen for several months yet.

"The deterioration has come sooner and been sharper than we expected even as late as September," says Eric Orraryd, district employment director in Eskilstuna. "In addition, we have very limited resources today for taking any support measures to counteract the further deterioration we fear."

The district employment board has therefore sounded the alarm in a letter to the AMS [National Labor Market Board] asking for more money for, e.g., preparedness work. The present appropriation will not suffice.

The reason for the uneasiness is not only the decline in industry but also the economies on the public side. This has gradually led to the result that the state, the municipalities, and the district governments, which formerly produced a large number of new jobs each year, are now holding back. In a number of municipalities hiring freezes have even been introduced.

With regard to industry the pattern today is not the same as in the earlier slump in the middle of the 1970's. At that time many firms entered into discussions with the labor market authorities about state support efforts of various kinds, such as training, so that they could hold their personnel. The number of layoffs was very small.

Today, on the other hand, layoffs dominate the firms' efforts to compensate themselves for the reduced flow of orders. Training is discussed in lesser degree. The old "25 kronor" (support per hour per employee as trainee instead of layoffs) no longer exists, anyway. It has changed to a "20 kronor," which is not regarded as equally attractive.

Within the trade unions there is sharp criticism of the short-time layoffs (on the average they embrace periods of 15 to 20 days right now), and the opinion is voiced that they should be prohibited. It is also felt to be unfair that only union employees can be laid off.

Leif Blomberg, bargaining secretary of the Metal Workers' Union, says:

"Many firms can afford to pay full wages to their employees during a stop or reduced operations. The firms that cannot afford it should be able to get support from some form of fund to be financed by the employers collectively. It is wrong for our unemployment fund to function as a general support of industry."

The amount that is paid during layoffs is 195 kronor a day. A metal worker who is laid off loses between 500 and 1,000 kronor after taxes when he is laid off for 20 days.

8815
CSO: 3109

NATIONAL LABOR MARKET BOARD PREPARES FOR RECORD UNEMPLOYMENT

Stockholm DAGENS NYHETER in Swedish 29 Nov 80 p 37

[Report by Bo A. Ericsson]

[Text] AMS [National Labor Market Board] sounded the alarm to the government Friday [28 November], asking for more money. Nearly a billion kronor is being asked to increase job training and set up more emergency jobs. The background is that the situation in the job market is deteriorating faster than anticipated.

What has happened recently is:

- The number of job vacancies has greatly decreased,
- Notices of discharges and temporary layoffs have increased palpably,
- Unemployment has increased, especially among young women,
- The increase in jobs in industry has stopped and been replaced with a reduction --the number employed in industry in October was nearly 20,000 lower than during the same month of last year, and
- Construction--which is a powerful driving force for employment in a large part of the economy--is at what at the AMS they are calling "an almost catastrophically low level."

All of this indicates that the winter on the labor market will probably be harsher than was expected earlier.

For that reason AMS now wants 650 million kronor to increase the number of persons in labor market training by nearly 50 percent--from 46,000 in October to about 65,000 during the winter.

In addition, AMS wants 350 million [kronor] for emergency employment. Today there are about 18,000 persons in emergency jobs. This winter AMS believes the number must be increased to about 40,000.

AMS had been counting on being able to keep within the limit set earlier for emergency jobs. But now this must be raised if the number patently unemployed is not to rise to an unacceptable level.

Today about 100,000 people are employed through AMS measures of various kinds.

What complicates the job market situation just now is not only the market slump that causes industry to need fewer people. In the public sector, too, there has been a cutback.

As DAGENS NYHETER reported earlier, the municipalities' and district governments' demand for personnel has palpably diminished.

The government will now check out AMS's billion-kronor request, and this will be done promptly, Minister of Labor Ingemar Eliasson promised Friday evening. "Increased resources" will be placed at the disposal of AMS, he promised.

Whether AMS will get the whole billion it is asking for or only a part of it remains to be seen.

8815
CSO: 3109

INDUSTRY PACT SEEKS TO AVERT CRITICISM OVER ARMS SALES

Stockholm DAGENS NYHETER in Swedish 8 Dec 80 p 10

[Text] In the future, Swedish companies' contracts for the export of defense material should be approved by the authorities. Large export orders should come under parliamentary control. It would be appropriate for them to be reported to the Foreign Affairs Committee, according to the committee that since last year has watched over our exports of defense material.

Chairman of the committee, former foreign minister Sven Andersson, will announce this in the next issue of the newspaper VERKSTADERNA.

On the international level, our arms exports are insignificant, the paper states in summary. With regard to so-called large weapons, airplanes, missiles, armored vehicles, and ships, our share was 0.3 percent during the 1970's.

The committee states that inflation and cost increases for military material are behind the numerical rise in exports.

Deliveries to neighboring Nordic countries and the neutral countries of Europe have increased.

"We are examining three areas in particular," Sven Andersson says. "These are the difference between offensive and defensive material, which components are civilian and which military, and which countries may purchase material."

"Electronics can be used in both weapons and civilian apparatuses. Defining which components are civilian and which are military is a delicate task."

There is no dispute over sales of defense material to neighboring Nordic countries and the neutral states of Europe. They have, in part, built up their defense with Swedish material. Exports to other countries are judged on a case by case basis.

"Probably the greatest criticism has been directed at the choice of countries," Sven Andersson says. "Much false information has appeared in the debate, both inside and outside the country."

"However, the committee has found that no export licenses have been granted to the countries indicated. The weapons that have spread to those countries have been resold, outside the control of Swedish authorities."

"To come to grips with this problem, the committee is now examining licensing agreements that are signed between Swedish and foreign companies. We are considering various solutions that would give the government and authorities control over these agreements," Andersson says.

In the parliamentary resolution of 1971 on guidelines for exporting defense material, coercive legislation was deemed unnecessary, since the companies voluntarily provided the authorities with all the information.

"We have found, however, that the contract should be approved by the authorities," Sven Andersson points out. "We believe, further, that large export orders should come under direct parliamentary control, most appropriately in the Foreign Affairs Committee, where they should be reported."

Both Defense Minister Eric Kronmark (Conservative) and commander in chief General Lennart Ljung agree in the Machinist Association's paper that Sweden should continue its exports.

"Thanks to our exports, we can distribute developmental costs for the larger series, which reduced our expenses," Kronmark says. "By investing in military technology, which makes the highest demands, we will achieve a high level of technology within the machine construction industry."

"Through exports, our defense industries have a better chance of survival," Ljung says. "Foreign orders create a more even foundation for our factories. After all, the limited number of orders from Swedish military forces do not make continuous production possible.

9336
CSO: 3109

OIL PRICES AMONG UNCERTAIN FACTORS IN ECONOMY FORECAST

Stockholm DAGENS NYHETER in Swedish 5 Dec 80 p 2

[Editorial]

[Text] The Swedish economy's road to ruin is lined with optimistic long-range studies.

Unlike its optimistic predecessors, the latest long-range study, LU 80, contains a shocking oil scenario, which assumes oil-price rises of 36 percent by the mid-eighties. This is probably the book's most credible prognosis.

The most serious disorder (or symptom of disorder) in the Swedish economy today is that the deficit in the trade balance corresponding to 4 percent of the GNP seems to be permanent. LU 80 outlines two alternatives up to 1985. In the first one, by holding down our increase in consumption to a half percent per year and increasing investments and exports, we manage to decrease the deficit by 2 percent. This is the optimistic alternative, less credible in many respects. In this case, the result is an increase in the deficit and in interest payments on foreign loans, which must reduce our economic freedom of action.

The alternatives are "calculated" in detail, in billions and to the nearest decimal. But it is precisely the exactness of such prognoses that is misleading. In practice, a dependable prognosis can only be made with wide margins of error. LU's estimates are in the form of numerous sample calculations that are based on certain exactly stated but very uncertain assumptions concerning world trade, inflation, oil prices, global economic policies, etc. If these assumptions do not become reality, then reality will soon deviate from the calculations.

Thus, the entire exercise in arithmetic must be done with this reservation.

An interesting question is why the seventies were so much worse for Sweden than for comparable countries, on the average. The investigators point to the cost crisis, the foundation for which was laid during the Social Democratic era, and to the failure to revaluate the krona in 1974. Either through forgetfulness or discretion, they do not examine the similar mistake by the nonsocialist governments in 1979.

Swedish exports (and industry) are insufficient to finance the imports, foreign interest payments, aid to developing countries, etc. According to LU's primary

alternative, merely cutting the trade balance deficit in half by 1985 would require an increase in export volume by just over 7 percent per year. In addition, Swedish export prices relative to those of competitors must decrease by 1 percent per year. This, in turn, presupposes increased profits to attract investments, moderate wage increases, and a sharp drop in public and private consumption. Since the number of pensioners and the amounts of their pensions is increasing, the real wages of those now actively employed must decrease somewhat over a 5 year period.

Now, to be sure, we do not know what profit level is required for a certain rate of investment, but assume that the calculations are correct. How will the economic policies look that fulfil the requirements? LU did not view it as its task to deal with this. That is too bad, because what is needed for the political debate and for morale is a thorough examination of a number of practical strategies.

For pedagogical purposes, the term private consumption should be redefined. In Sweden this consists mostly of goods. Many of the services that in the United States, for example, are included under private consumption are entered as public consumption in Sweden. A consumption index that weighs increases ingoods, leisure, and public service provides better information on how standards or welfare in the society are changing.

To an extremely high degree, Swedish industry has adapted itself to the role of deliverer of raw materials and investment goods for the investments of other countries. Global inflation and the relative increase in energy prices have slowed down investments. Thus, the demand Swedish industry has specialized in fulfilling is decreasing. At the same time, we are dependent on imports to obtain consumer goods for increasing segment of the labor force that has gone over to the service sector.

It is impossible to change this structure significantly within a 5-year framework. Policies must be directed toward those strategic factors we can alter rapidly. The most important is probably costs. A cost level that is too high makes it difficult for politicians and company leaders to distinguish between temporary cost problems, economic downturns, and structural problems.

Wage earners try to compensate for inflation. As long as we keep the present rate of exchange, international inflation will come into the country along with imports.

Probably the most economically sound way out would be a price and wage freeze lasting at least a year, with exceptions made only for energy prices and wage drift within industry. That would slow down inflationary pressure, increase industry's profits and willingness to invest, and improve the situation for industries competing with imports, i.e. it would function as an indirect (real) devaluation. Thereafter, the krona could be gradually revaluated as a guard against international inflation. The experience of other countries shows that high inflation is difficult to reconcile with a high investment rate and calm wage negotiations.

For a year or so, the operation would lower the material standard to around the level of 1975. At that time, however, no one was complaining about tight belts.

Nevertheless, such policies would require a measure of detached political mutual understanding and/or civil courage. It would be difficult to find a convincing reply to this objection.

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BRIEFS

BUDGET DEFICIT GROWS--After a temporary improvement, the Swedish budget deficit is growing again. It is now 50.5 billion, worse by 1.3 billion since the National Accounting Office's last prediction. The state expenditures during the current fiscal year are now estimated at 212.6 billion and revenues at 162.1 billion. Tax collections decreased in July and September and are 515 million kronor lower than in the last prediction. The gasoline tax is down 165 million because of decreased consumption. The same is true of the alcohol tax, which is 235 million kronor less than before. At the same time the experts in the budget department are tearing their hair over next year's budget. In spite of the economy plan's ambition to reduce the budget deficit, it continues to increase and will exceed 60 billion. This also means that the interest on foreign loans will increase. It looks still worse for 1981-1982, when the big economy measures were to set in. As it looks today, the budget deficit is expected to increase to 70 billion at that time. In the present sensitive political situation no responsible minister dares present radical economy bills. This means that the forecasts of the economy bill must be changed in the negative direction no later than the budget bill of January 1981. --Erik Lidén [Text] [Stockholm SVENSKA DAGBLADET in Swedish 29 Nov 80 p 8] 8815

RESEARCH EXCHANGE WITH CHINA--Peking, Monday [24 Nov]--The University of Stockholm and the Chinese academy of social science concluded a 5-year agreement Monday on academic exchange. According to the agreement Sweden and China are to exchange researchers and scientific documentation. The University of Stockholm and the academy of social science will work on joint research projects. This is the first time a Swedish institution has concluded an agreement with the academy of social science. The academy is the most important and most exciting Chinese institution right now. It serves as an idea-giver and adviser on economic, juridical, and social matters to the Chinese government and the communist party. Hu Qiao-mu, the president of the academy, is also a member of the influential party secretariat. The delegation from the University of Stockholm that is in Peking to sign the agreement includes Seung-bog Cho, professor of Japanese, but not Göran Malmqvist, professor of Chinese. This has caused surprise and displeasure at the Swedish Embassy in Peking. The Chinese, too, wonder why Göran Malmqvist is not a member of the delegation. Malmqvist has a very good reputation in China for his efforts to disseminate Chinese literature and history. He is also regarded as an outstanding researcher.--Bengt Albons [Text] [Stockholm DAGENS NYHETER in Swedish 25 Nov 80 p 14] 8815

CHEMICAL WARFARE SUITS ORDERED--Over a 2-year period, 22 million kronor will be invested in the production of suits for children to protect them against chemical warfare. That is enough for 44,000 suits. The first will be ready by the end of next year. They will then go into civil defense storerooms. The protective jackets function in a manner similar to gas masks, but since children's heads differ so greatly in size and it is difficult to make gas masks for them, jackets are being made with built-in head protection--a hood with a transparent visor and a filter. Previously, practically nothing has been spent for protective clothing for children. Now, the government has also decided to provide the Civil Defense Board with 45 million kronor for the production of protective masks for adults. [Text] [Stockholm DAGENS NYHETER in Swedish 5 Dec 80 p 11] 9336

WARTIME ECONOMY PLAN CRITICIZED--The national Board for Economic Defense (OEF) has been soundly criticized by two auditors of the National Accounting Office. The auditors have examined OEF since 1978, but were never allowed to complete their work. Last summer, despite protests from the auditors, the investigation was stopped, Rapport incidated on Thursday. According to Rapport, the auditors directed serious criticism on several points against how OEF was handling the wartime economy plan. The primary task of the national board is to store emergency goods that we may need in times of crisis or war. This entire type of stock-piling is rejected by the auditors. The auditors believe it is totally impossible to set any value on the stores in case of emergency. This is because, among other things, no plans have been made for how the stockpiles should be used. Other measures necessary so that the stockpiles will be used in the proper manner have not been taken or prepared. [Text] [Stockholm DAGENS NYHETER in Swedish 5 Dec 80 p 26] 9336

CSO: 3109

SOCIAL DEMOCRATIC PARTY DRAFTS NEW PARTY PROGRAM

Zurich NEUE ZUERCHER ZEITUNG in German 12 Dec 80 p 25

[Article by gfh.: "Switzerland as a Self-Governing Enterprise?"]

[Text] At the Geneva Congress of the Social Democratic Party of Switzerland (SPS), it was literally denied admittance; very soon, however, it is likely to become the explosive key subject of discussions at all party levels: the planned revision of the SPS Program of 1959. For one of the innumerable book and newsstands in the "Centre international de conferences" [International Conference Center] displayed an inconspicuous "SPS Dossier No 9": the draft program by a six-member study team, including commentaries by the party's management and executive board. The party's leftist intellectuals have taken very seriously the mandate of the Montreux SPS Congress (1976) and they are presenting a paper that makes a radical "break with capitalism." The draft program is oriented entirely toward a self-government model and in both form and content it is far removed from the "reformist" program of 1959 and probably also from the ideas of the party's trade union constituency.

A Product of Writers and Party Intellectuals

The draft program, which includes critical commentaries by the party leadership, is distinguished by three characteristics: It begins with a sweeping ideological attack on "capitalism" that--with a certain degree of consistency--goes so far as to advocate a policy of alliances, including alliances even with the communists. Secondly, the draft program is characterized by a one-dimensional, well-nigh monomaniacal orientation toward the concept of self-government. This means not only a "break with capitalism," but also a break with the still operative and much more pragmatic "Winterthur Program" of 1959, which still aimed at real participation in state government and in economic prosperity rather than at the presently proposed utopia. Thirdly, it appears that a style alternating between laudatory and rabid passages and interlarded with neoleftist catchwords is meant to take the place of a nonexistent answer to the question by what means the utopia of self-government--utopia, because no previous socialist or communist model is good enough for the authors--could be translated into the present Swiss reality.

The characteristics of the draft program, the publication of which is to initiate--according to the wishes of the party leadership--a broad program discussion within the SPS, become understandable on consideration of the collective of authors: The study group for program revision included the writers Peter Bichsel and Otto F. Walter, the Basel political scientist Arnold Kuenzli, the Lausanne professor of

political science Francois Masnata, Elsbeth Schild, SPS Secretary General Cristoph Berger and--in the capacity of editor--Rolf Niederhauser, Basel. Although this makeup has the advantage of homogeneity, the homogeneity is obtained at the price of insufficient representativeness that is intensified by the one-sidedness of the self-government thesis. "Solothurn writers' Mafia" was one of the--not exactly flattering--names circulated in the hallways of the Geneva Party Congress.

Also of interest are the comments by SPS Secretary General Rudolf Strahm on the program study group; in the journal WIRTSCHAFTSKONZEPT UND SELBSTVERWALTUNG [Economic Concept and Self-Government] (the economic concept of the so-called "Zurich economists" can be considered a precursor of the present draft program), Strahm presents an ironic, fictitious review of the "beginnings of self-government" from the point of view of the year 2010: Among the "early promoters" of self-government, Strahm counts the "writer Otto F. Walter who originally came from a bourgeois-Catholic entrepreneurial family and who in a utopian-ecstatic fashion promoted the idea of self-government." According to Strahm, Walter "participated at that time in an SPS program commission that was for the most part made up of poets; although the commission failed at the first start, it had a strong effect on the party, since--viewed in retrospect--it had succeeded in introducing the idea of self-government into the party. This commission was also influenced by the Yugoslav self-government trends of that time."

On perusal of the 100-page "dossier", the prediction of an acting general secretary to the effect that the present draft program was likely to be defeated in the intra-party discussions does not appear to be overly far-fetched. The comments of the party leadership (see the summary below) likewise point in this direction.

Yugoslavia as a Model

The program revision paper--the cover of which is adorned with a motto by Federal Councilor Ritschard ("Democracy means self-government of power")--is headed by an essay by Arnold Kuenzli "On the Philosophy of Self-Government": After tracing self-government back to the cooperative concept of early Switzerland, to the early socialist Robert Owen and the classics of anarchism (Bakunin, Kropotkin, Proudhon "and the great Jewish philosopher of religion, Martin Buber"), the Basel political scientist switches to one of his favorite subjects: "Yugoslavia as a model." However, Kuenzli feels that the Yugoslav experiment of "social self-government" cannot be transferred in its present form to Switzerland. Without substantiating it (the authors of the program do not substantiate it either) and without specifying its political, economic and social dimensions, Kuenzli advances the thesis that the self-government concept "is the only possible, conceivable, realistic and in the long term practicable form of socialism in our societies and in our time."

Nevertheless, Kuenzli asks himself why the concept of self-government should be more successful in breaking with capitalism, as compared with the German codetermination concept or the Swedish "functional socialism." In response to this question, Kuenzli points out that first of all codetermination does not aim at breaking with capitalism; moreover, self-government offers the opportunity of neutralizing Capital so that the previous owners do not have to be expropriated and management is not simply taken over by the trade unions. According to Kuenzli, in this process it would be necessary to proceed by stages, the duration of which would be determined by the learning process of the people.

The actual draft program is preceded by two rather literary texts: a "preliminary note" in the form of a poem and a no less unctuous preamble which--using the pluralis majestatis ("We, the Social Democratic Party of Switzerland, state...")--presents a socialist "state of the union message" as it were.

Capitalism as Enemy No 1

The subsequent draft program is divided into three main categories: The present situation is analyzed on the basis of a history and a critique of capitalism and a discussion of the achievements of "bourgeois democracy", of the Soviet system and of Social Democracy. To the authors, capitalism as the root of all evil is not simply an economic system; rather, it "expropriates man": "It is an all-encompassing mode of social production, which is determined by the laws of possessing and having, by the craving of people for domination over other people, by rapacious conduct vis-a-vis mankind and nature." The Soviet system as a "landmark in the history of socialism" is dealt with a little more leniently, but it still comes in for harsh censure: According to the authors, the people under that system "have even fewer democratic rights than the people in the capitalist countries of West Europe" and Marxism-Leninism has "for decades been demagogically abused" under the Soviet system. The Soviet Union is accused of participating in "the madness of the arms race" (apparently, it is the United States that invented the arms race). According to the draft program, the parties of Eurocommunism (which--as is well known--can presently be found only by means of a magnifying glass) merit greater consideration, because in the long term they might offer the chance "of bridging someday the split in the workers' movement."

Reckoning With 'Reformism'

The chapter entitled "Achievements and Critique of Social Democracy" is marked by the aspect of "reformism" which the authors criticize in harsh terms. Drawing up a balance sheet, they evaluate the social democratic policy hitherto pursued as follows: "We must recognize our crucial error and admit--without mincing matters--that in pursuing short-term goals we have all too often lost sight of the great, long-range socialist objective, sacrificing it for short-term results. We want to fight for a socialism that does not surrender the power to the state, but that changes this state."

The following key chapter--entitled "For a Socialist Switzerland"--advances theses self-government as the determining principle in state, society and economic affairs. The authors emphasize that the practice of self-government represents a never-ending process and that it presupposes extensive decentralization and--as a complement to this decentralization--a basic plan. In the economic sector, this would mean that the transition from private ownership of the means of production to "social ownership" would have to come about not through nationalization, but through a "neutralization" of the production capital: The production capital would then no longer belong to anybody, but would merely be used (by the employees). The market is not to be "left to itself"; rather, it is to be controlled in accordance with a basic plan, within the framework of which the workers are to determine the goals and forms of their work.

The ideas concerning self-government in state and society are rather colorless: politics as an "everyday activity engaged in by all," municipal autonomy,

participation in basic planning, basic democracy and the taking back of state functions are the most important issues.

Government Participation Called into Question

In the chapter on "Socialist Policy Today", the authors pithily state—in consequence of the radical critique of a capitalism that creates nothing but "dependent individuals": "We are the majority." For the struggle of the socialists, they develop a dual strategy that on the one hand is oriented toward obtaining a majority in the parliaments and on the other hand toward a "transformation of society from within." In this fashion, they also relativize government participation: "It is true that under certain conditions government participation may be useful, if only because it represents a unique source of information. But the constellations change continuously. Consequently, we always call into question the occasion, the benefits and the conditions of participation on the part of the socialists, e.g. in the Federal Council." According to the authors, the decision to participate in the government must on principle be taken by the party congresses. On the cantonal level, at which the executive organs are elected by the people, one should keep in mind that an "unconditional participation is equivalent to resignation of the Left."

In regard to the subject of "alliance policy," the draft program advocates action alliances with the other leftist parties and support for all movements of "self-organization": The women's liberation movement, environmental protection groups, consumer groups and opponents of nuclear power should be taken more seriously and supported for the purpose of establishing a "counterforce."

At the end of this general part, the draft program deals with its own party. The motivating power of self-government, which is to be practiced in everyday party life as well, is valued so highly that the present party "leaders" are supposed to become superfluous someday. In order to insure the unity of theory and practice, the authors propose a number of "fighting measures": a permanent study group for program revision; counciling and control of the elected officials by permanent commissions; selection of candidates by the party members.

Practical Policy Issues Mentioned in Passing

An appendix lists individual fields of a "socialist policy." The very fact that not all individual fields (media policy, social and health policy, law, energy and transportation policy) are listed indicates that in regard to practical policy issues the study group was overtaxed. So the program merely sketches conceivable ways of applying the self-government concept in a few political areas and the degree of abstraction of the individual demands obviously exceeds that of the political expertise. For example, in the first paragraph on "Individual Liberties, Social Control and Repression," there is the demand for "an institutionalization of the protection of human, civil and social rights against the power of the propertied classes and of the economic giants and against the scientific-technological penetration of everyday life." In regard to educational policy, the decisions are to be made primarily by the students and the parents; preschool education is to begin as early as age 2 or 3.

SP 'Industrial Policy' Instead of Codetermination

In the proposals concerning economic policy, the authors themselves draw attention to potential sources of conflict with the trade unions, since--they argue--self-government naturally presupposes a socialist "industrial policy"; however, a new division of labor between the SPS and the trade unions would be developed within the framework of a new, joint strategy. According to the proposals, self-government enterprises are to be protected by an industrial enterprise constitution comprising the following principles: decentralization of the enterprises; democratic election of superiors and delegates; rotation principle in regard to all work and leadership functions; strike ballot on key issues; workers' council instead of administration (merely coordinating and drafting functions); free access to all information concerning flexible and individual work schedules.

Expropriation of Landed Property

In the proposals concerning landed property law, the draft program provides for communal ownership of the land and for its "utilization within the framework of democratic planning." This is also expressly applied to agriculture, where self-government of the enterprises is to be implemented only "within the framework of comprehensive agricultural planning." As for security policy, the draft program considers it primarily a matter of processes of detente: Military defense must be based on a Swiss production basis for armaments, on a "democratic army", on the prohibition of arms exports and of the employment of military forces in domestic affairs and on the principle that Switzerland is "political home to the conscientious objector as well." Finally, in regard to foreign and developmental policy, the program postulates--among other things--a socialist European policy, since "A socialist West Europe would be a unique peace-promoting element in the world." According to the program, worldwide solidarity necessitates support for "all national liberation movements, as long as they really fight for independence and for the protection of human rights."

Leadership Comments on the Program

In the "SPS Dossier No 9," the SPS leadership presents critical comments on the draft by the program study group. According to the party leadership, the new party program must provide answers to four crises of our time: the growth crisis, the crisis of the distribution-oriented state, the crisis of the Third World and the crisis of parliament and state; but the program debate should "not be abused for the purpose of enforcing a 'clarification of front lines' in the sense of a power-oriented demarcation of interests."

In its detailed comments, the party leadership emphasized that in contrast to previous programs the drafting of the new program was not subject to any time pressure; subsequently, it called into question the thesis of the party intellectuals, stating it did not consider self-government to be the key to the solution of all problems of our time; nevertheless, the present concept represented a "bold design," which--to be sure--was lacking in orientation in terms of the history of ideas: The idea "suddenly appears like a sheet anchor as the salutary 'third way.'" One could regard the self-government concept as a break with the tradition of social-democratic policy and one could also regard it as the original objective of the socialist movement--in the view of the party leadership, it represents a "genuine advancement of social democratic ideas."

Nevertheless--notes the party leadership--it is open to doubt whether the planned liberation of man could be brought about by a single organizational model and by "an overly simplified view of capitalism": "Not all of the evil of this world can be attributed to capitalism and its contradictions." Nevertheless, the party leadership, too, unconditionally backs the "mandate" of Montreux, i.e. to bring about the break with capitalism. However, the party leaders raise the question whether this can be accomplished only through the self-government model proposed and whether this model is at all practicable. The answer: Self-government can only be one of several methods.

The party leadership is displeased with the study group's harsh criticism of reformism: Instead of "throwing out the SPS baby with the bath water," the group should have made concrete proposals indicating ways of implementing the "bold design" under the "prevailing power relations. In regard to the program debate that is now beginning, the party leaders point out that the party program to be developed must be more concise and to the point and must "not leave out of consideration the power problem." In view of the increasingly obvious ideological split in the party, the SPS leadership implores the members not to let the discussion degenerate into an intra-party struggle for power: One should consider the possibility that the draft by the study group appointed by the leadership may actually provoke such an acid test. The "materials" presented should be complemented, above all in regard to certain individual political fields.

The report by SPS press secretary Peter Graf on the discussions of the party's executive board enables the outsider to form a picture of the turbulences triggered by the draft in the party organs: The opinions covered the entire spectrum from total rejection to approval. Whereas certain board members considered the program a "successful analysis," others criticized it, claiming it was neither a clear Marxist analysis nor a consistent follow-up of the "libertarian approach": "The board members felt that in their analysis, the authors had proceeded from libertarian starting positions and had then proposed Marxist strategies. The converse approach would have been more promising. In the board members' view, the achievements of the Swiss Social Democrats had been belittled in a masochistic fashion." Summing up, the report states that the draft could serve as a basis for discussions, but that in view of its many shortcomings it would be unsuitable as a political instrument.

8760
CSO: 3103

'PRIVATIONS' OF 12 SEPTEMBER COUP EXAMINED

Istanbul TERCUMAN in Turkish 30 Dec 80 pp 1, 10

[Editorial by Nazli Ilicak]

[Text] The government has lightened the burden on wage earners by granting a tax exemption to incomes of around 5 thousand lira a month. But it has been reported that those who concluded labor agreements before 12 September will not be able to take immediate advantage of this prerogative and that labor agreements in the post-12 September period will be kept to a minimum--bearing in mind this tax exemption. Here the desire has been to act in accordance with the principles of justice. For, since labor agreements have been limited after 12 September, if those who received hefty wage increases could also increase their tax-exempt income after the coup, a major injustice will have been committed. Yet, if we consider that the coefficient--kept constant for civil servant salaries--has served as a tax compensation for losses incurred, we cannot criticize the Council's decision. Besides, had there not been a coup, clearly the Assembly would not have passed tax legislation and workers perhaps would never have been able to receive additional payments--never mind their receipt 2 years later.

Despite our statements, those who would appear proworkers (but who have no other consideration than exploiting him) might say: "Dear lady, let those who concluded labor agreements with hefty pay hikes take advantage of the tax exemption...Let workers after 12 September "grab up" 200-300 percent wage hikes; let the civil servants' coefficient be raised 2 or 3 or 5 or 10."

With what funds...how!

A period of sacrifice began after 12 September. Many rights--not just worker rights--have been abrogated. The most important of these are political rights. Parliament has been dissolved and some parliamentarians have been arrested.

The authority to censor the press has been vested in martial law commanders. A reprimand by businessmen can meet with an immediate and hard-line response. New taxes have levied additional obligations on employers: The corporation tax has increased from 43 percent to 50 percent. Stock shares worth over 50 thousand lira, trade names, and the sale of trademarks and patents are subject to taxation. The inclusion of maritime transportation in the motorized transportation tax and the doubling of the vehicle purchase tax for luxury vehicles are practicable moves. Moreover, the tax burden in the agrarian sector has been distributed as the result of reductions in criteria governing the size of operations.

It is impossible to please everyone and not hurt someone. The 12 September period is one of reform; it is a period of restrictions and privation. We have launched the nation upon 12 September through cooperation...

Today the worker's collective bargaining right has been limited; in one sense it has even been abolished. In consequence of this, do those who wave the flag of ideologically-oriented unionism despite the prohibitions have a role to play? If unions, whose duty is "to protect and improve the economic and social status of the worker," dedicate themselves to Marx, Lenin, and Stalin at 1 May rallies in hopes of changing the system, if they act against the State Security Courts, and if they perpetually incite class struggles, such is their lot.

If deputies are bought and sold, if a president cannot be elected after months, and if parliament can in no way come to a decision on early elections, such is their lot.

If journalists do everything in their power to destroy the nation, if they cannot grasp the meaning of "freedom of the press" and regard the barb as the mark of their skill, and if they cannot unite against anarchy and in support of law, such is their lot.

But before crying out that we are suffering injustice, let us not forget that we are living in a period of privation. The loss to the worker who cannot take advantage of tax reductions is no greater than the suffering civil servant whose coefficient was not raised. And the loss to the civil servant whose coefficient was not raised is no greater than the personal loss to mayors and members of municipal councils whose jobs were cut, to parliamentarians who lost their political prerogatives, and to parliamentarians' friends whose grief is in having been placed under arrest.

Worker rights have been suspended. And have other sectors--for example, the press, which is confronted by the threat of censorship--remained immune to these procedures?... Is not the greatest blow that can be struck personal rights and freedoms the jailing of a suspect for 90 days without presenting him before a court? The Turkish Armed Froces are themselves in distress. Is the destruction wrecked by entering into the political arena a little thing?

This is to say, every sector is contending with its own share of the burden. Sharing privation lightens the heart. If one still believes that in the end better days are possible, now that the 12 September action has occurred, the present goal is to bring this action to a successful conclusion--not exhaust it.

CSO: 4907

RETIREMENT, INSURANCE PRACTICES QUESTIONED

Istanbul CUMHURIYET in Turkish 18 Dec 80 p 5

[Editorial by Sukran Ketenci]

[Text] Another right purported to benefit the worker has appeared on the docket over the past week as the result of discussion in the press. It is retirement. Although Social Security Minister Sadik Side has not confirmed press reports that the number of workdays for which premiums must be paid enabling an employee to retire will be raised from 5 thousand to between 7 and 9 thousand, it is reported that the law is being reviewed and that a bill is in preparation.

The current retirement law has the appearance of a progressive worker right, providing insurance premiums for at least 5 thousand working days over a 25 year span for men and a 20 year span for women. We can actually trace the progression of retirement rights in Turkey merely through an examination of the law.

For now let us examine our situation through the right to retirement concept. Retirement is a right forged after years of consideration that provides a means whereby as compensation for years of labor overworked and aged persons can continue their way of life without working. A retired individual should have an income that permits a comfortable lifestyle without necessitating recourse to work or securing a new income. Can we say that a retired worker in Turkey is able to live in a comfortable manner on a pension, without having to go back to work? If we cannot, then we cannot assert that we have provided the retirement right purported in the law.

And what of this right's purported aspects and the fact that the retirement age is somewhat early and premium periods are short... Early retirement appears in Turkish labor law as a solution to unemployment and job insecurity, not with the intention of providing a prerogative for workers. Its thrust is to give over business to the unemployed by retiring workers somewhat early. (This goal could not have been attained by giving retirees the right to work again.)

The major disparity in the obligation to pay 5 thousand days worth of premiums to men during a 25-year period and women during a 20-year period--payments regarded as a necessity if one is to retire--stems directly from Turkish labor conditions. The sum equivalent to 5 thousand working days requires constant employment for 13 years and 10 months. While lawmakers deem it appropriate that women work 20 years and men 25 years, they have not afforded the worker any new prerogative by restricting

the number of years premiums are deposited for actual work. The object simply has been to make the worker suffer under Trukish labor conditions and, in fact, permit retirement only after 20 or 25 years.

Every time there is a new round of labor agreements, the average number of minimum wage workers on business payrolls exceeds one-third of the labor force. In other words this means that at least one-third of the labor force in Turkish business departs on an average of once every 2 years to be replaced by new blood. This horrific turnover means that rights gained by workers are being lost and that during a 20 to 25 year span there are frequent periods when a worker is unemployed. Restated: since the worker is often unemployed during a 20 to 25 year span, when the 25-year stretch is completed a reduced insurance premium has been paid to the employee for those days of actual work. So, although it is perceived that the number of entitlement days will rise to 7 or 9 thousand and the number of actual employment years climb to 20 or 25 years, this in reality will force workers who could retire in 25 years to instead retire at the end of 30 or 35 years under Turkish labor conditions.

And the other side of the coin is even more telling. Only 2.206 million of Turkey's 6 million workers are insured. The number of employers in Turkey not informing their employees about insurance exceeds those who do. Among these we have employers who give premiums far inferior to the wage paid and those who contribute to the problem by informing recently-employed workers about insurance only after several months have passed. All of these practices demonstrate that an individual's work is not being taken into account for insurance purposes. It is a fact that, on the one hand, as lawmakers fix the retirement age and years of employability, they, on the other hand, have forced a restriction on the number of days insurance premiums are paid for actual work. In sum, raising the number of entitlement days to 7 or 9 thousand is tantamount to boosting to 30 or 35 the number of years required for retirement.

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